

**State of Illinois
Illinois Law
Enforcement Training
and Standards 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
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2022**

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**STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
STATE COMPLIANCE EXAMINATION
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BOARD OFFICIALS

Executive Director (06/29/2022 – Present)	Keith Calloway
Executive Director (Interim) (06/10/2021 – 06/28/2022)	Keith Calloway
Executive Director (06/09/2021)	Vacant
Executive Director (07/01/2020 – 06/08/2021)	Brent Fischer
Chief Fiscal Officer (02/16/2023 – Present)	Steven Pingolt
Chief Fiscal Officer (02/04/2023 – 02/15/2023)	Vacant
Chief Fiscal Officer (Temporarily Assigned) (12/16/2022 – 02/03/2023)	Stephanie Heckenkamp
Chief Fiscal Officer (09/16/2021 – 12/15/2022)	Kristina Shelton
Chief Fiscal Officer (07/01/2020 – 09/15/2021)	Denise Matthew
Chief Legal Counsel	John Keigher

BOARD OFFICERS

Board Chair (12/08/2022 – Present)	Sean M. Smoot
Board Chair (12/04/2020 – 12/07/2022)	Mitchell R. Davis III
Board Chair (07/01/2020 – 12/03/2020)	Tim Gleason
Vice-Chair (12/08/2022 – Present)	John Idleburg
Vice-Chair (12/04/2020 – 12/07/2022)	Sean M. Smoot
Vice-Chair (07/01/2020 – 12/03/2020)	John H. Schlaf

APPOINTED BOARD MEMBERS

Board Member (07/01/2020 – Present)	Mitchell R. Davis III
Board Member (07/01/2020 – Present)	Ghida Neukirch
Board Member (07/01/2020 – Present)	Timothy Nugent
Board Member (07/01/2020 – Present)	J.W. Price
Board Member (07/01/2020 – Present)	Richard H. Watson
Board Member (08/25/2020 – Present)	Sean Michael Smoot
Board Member (10/28/2020 – Present)	John Idleburg
Board Member (06/30/2021 – Present)	Vacant
Board Member (07/06/2021 – Present)	Vacant
Board Member (02/04/2022 – Present)	Vacant
Board Member (04/27/2022 – Present)	Vacant
Board Member (01/18/2023 – Present)	Vacant
Board Member (07/01/2020 – 01/17/2023)	Tim Gleason

**STATE OF ILLINOIS
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BOARD OFFICIALS (Continued)

APPOINTED BOARD MEMBERS (Continued)

Board Member (07/01/2020 – 04/26/2022)	LaDon Reynolds
Board Member (07/01/2020 – 02/03/2022)	Ricardo Pagan
Board Member (10/30/2020 – 07/05/2021)	Anthony Cobb
Board Member (07/01/2020 – 06/29/2021)	Elvia Williams
Board Member (07/01/2020 – 10/29/2020)	John H. Schlaf
Board Member (07/01/2020 – 10/27/2020)	David Clague
Board Member (07/01/2020 – 08/24/2020)	Paul Williams

STATUTORY BOARD

Chicago Police Department Superintendent	David O. Brown
Cook County Sheriff	Thomas Dart
Illinois Department of Corrections Director	Rob Jeffreys
Illinois State Police Director	Brendan Kelly
Circuit Court Clerk of Cook County (12/01/2020 – Present)	Iris Y. Martinez
Circuit Court Clerk of Cook County (07/01/2020 – 11/30/2020)	Dorothy Brown
Attorney General	Kwame Raoul

BOARD OFFICE

The Illinois Law Enforcement Training and Standards Board's office is located at:

500 South 9th Street
Springfield, Illinois 62701



Illinois Law Enforcement Training and Standards Board

JB Pritzker, Governor
Keith Calloway, Executive Director

Phone: 217/782-4540
Fax: 217/524-5350
TDD: 866-740-3933

MANAGEMENT ASSERTION LETTER

June 20, 2023

Roth & Company, LLP
815 W. Van Buren St., Suite 500
Chicago, IL 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, Illinois Law Enforcement Training and Standards 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 listed 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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, Illinois Law Enforcement Training and Standards Board

SIGNED ORIGINAL ON FILE

Keith Calloway, Executive Director

SIGNED ORIGINAL ON FILE

Steven Pingolt, Chief Fiscal Officer

SIGNED ORIGINAL ON FILE

John Keigher, Chief Legal Counsel

**STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
STATE COMPLIANCE EXAMINATION
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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 an adverse opinion on compliance and identifies material weaknesses in internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report</u>
Findings	22	9
Repeated Findings	9	6
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	13	2020/2020	Failure to File FCIAA Certification	Significant Deficiency and Noncompliance
2022-002	14	New	Lack of Required Board Members	Noncompliance
2022-003	16	New	Noncompliance with the Debt Transparency Act	Significant Deficiency and Noncompliance
2022-004	17	2020/2020	Inadequate Controls Over Agency Fee Imposition Report	Significant Deficiency and Noncompliance
2022-005	18	New	Noncompliance with Issuance of Noncompliance Letters	Significant Deficiency and Noncompliance

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SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2022-006	20	2020/2008	Voucher Processing Weaknesses	Material Weakness and Material Noncompliance
2022-007	24	2020/2018	Inadequate Controls over Telecommunications Devices	Material Weakness and Material Noncompliance
2022-008	27	New	Inadequate Controls over Appropriation Transfers	Significant Deficiency and Noncompliance
2022-009	28	New	Noncompliance with Police Training Act	Material Weakness and Material Noncompliance
2022-010	30	2020/2014	Inadequate Controls over Reconciliations	Material Weakness and Material Noncompliance
2022-011	32	New	Inadequate Controls over Awards and Grants	Material Weakness and Material Noncompliance
2022-012	34	New	Inadequate Controls over Receipts	Material Weakness and Material Noncompliance
2022-013	36	New	Inadequate Computer Security Controls	Material Weakness and Material Noncompliance
2022-014	38	2020/2016	Inadequate Controls over Vehicles	Significant Deficiency and Noncompliance
2022-015	40	2020/2020	Inadequate Controls over Agency Workforce Reports	Material Weakness and Material Noncompliance
2022-016	42	New	Inadequate Controls over Employee Attendance and Leave Requests	Significant Deficiency and Noncompliance
2022-017	44	New	Inadequate Internal Controls over Census Data	Significant Deficiency and Noncompliance

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SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings (Continued)				
2022-018	47	2020/2012	Insufficient Controls over Equipment	Material Weakness and Material Noncompliance
2022-019	51	New	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance
2022-020	53	2020/2018	Inadequate Controls over Contracts	Material Weakness and Material Noncompliance
2022-021	55	New	Noncompliance with the Illinois Governmental Ethics Act	Significant Deficiency and Noncompliance
2022-022	57	New	Failure to Timely Provide Requested Engagement Documentation	Material Weakness and Material Noncompliance

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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Board personnel at an exit conference on June 20, 2023.

Attending were:

Law Enforcement Training and Standards Board

Keith Calloway, Executive Director
Anthony Cobb, Deputy Director for Operations
Steven Pingolt, Chief Fiscal Officer
Cherylynn Williams, Deputy Director of Training
Patrick Hahn, General Counsel/Ethics Officer
Ellen Petty, Human Resources and Labor Relations Manager

Office of the Auditor General

Reddy Bommareddi, Senior Audit Manager

Roth & Company, LLP

Epifanio Sadural, Partner
Tiffany Floresca, Supervisor

The responses to the recommendations were provided by Patrick Hahn, General Counsel/Ethics Officer, in correspondence dated June 20, 2023.



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Illinois Law Enforcement Training and Standards Board

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the State of Illinois, Illinois Law Enforcement Training and Standards 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. The 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.

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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 specified requirements during the two years ended June 30, 2022. As described in items 2022-001 through 2022-022 in the accompanying Schedule of Findings, the Board did not comply with the specified requirements. Items 2022-006, 2022-007, 2022-009 through 2022-013, 2022-015, 2022-018, 2022-020 and 2022-022 are each considered to represent material noncompliance with the specified requirements.

Specified Requirement B

As described in the accompanying Schedule of Findings as items 2022-006 and 2022-018, the Board had not 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 obligations, expenditure, receipt, or use.

Specified Requirement C

As described in the accompanying Schedule of Findings as items 2022-006, 2022-007, 2022-009 through 2022-013, 2022-015, 2022-018, 2022-020 and 2022-022, 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.

Specified Requirement D

As described in the accompanying Schedule of Findings as item 2022-012, the Board had not ensured the State revenues and receipts collected by the Board were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law.



Specified Requirement E

As described in the accompanying Schedule of Findings as items 2022-010 through 2022-012, money or negotiable securities or similar assets handled by the Board on behalf of the State or held in trust by the Board had not been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Items 2022-001 through 2022-005, 2022-008, 2022-014, 2022-016, 2022-017, 2022-019 and 2022-021 individually would have been regarded as significant noncompliance with the specified requirements; however, when aggregated, we determined these items constitute material noncompliance with the specified requirements.

In our opinion, because of the significance and pervasiveness of the material noncompliance with the specified requirements described in the preceding paragraph, the Board did not comply with the specified requirements during the two years ended June 30, 2022, in all material respects.

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 material weaknesses 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 deficiencies described in the accompanying Schedule of Findings as items 2022-006, 2022-007, 2022-009 through 2022-013, 2022-015, 2022-018, 2022-020 and 2022-022 to be material weaknesses.

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, 2022-003 through 2022-005, 2022-008, 2022-014, 2022-016, 2022-017, 2022-019 and 2022-021 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
June 20, 2023



STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-001. **FINDING** (Failure to File FCIAA Certification)

The Illinois Law Enforcement Training and Standards Board (Board) did not file its Fiscal Control and Internal Auditing Act (FCIAA) certification.

During review, we noted the Board did not submit its Fiscal Year 2022 FCIAA certification to the Office of the Auditor General.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3003) requires each chief executive officer of all State agencies to conduct an evaluation of their systems of internal fiscal and administrative controls and file a certification based on their evaluation with the Auditor General by May 1 of each year.

In addition, the Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure the Board timely submits the FCIAA certification with the Office of the Auditor General.

Board officials stated the issue was caused by key employee turnover.

Failure to file the FCIAA certification with the Office of the Auditor General resulted in noncompliance with the Act. (Finding Code No. 2022-001, 2020-009)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure the FCIAA certification is timely filed with the Office of the Auditor General.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings. Additionally, the Board has entered into an Intergovernmental Agreement with the Department of Central Management Services' internal auditors to assist in addressing the finding.

STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-002. **FINDING** (Lack of Required Board Members)

The Illinois Law Enforcement Training and Standards Board (Board) was not composed of eighteen board members in accordance with the Illinois Police Training Act (Act).

During testing, we noted the Board had four vacancies: one chief of municipal police department, one citizen of Illinois who shall be a member of an organized enforcement officers' association, one active member of a Statewide association representing sheriffs, and one active member of a Statewide association representing municipal police chiefs.

The Act (50 ILCS 705/3) requires the Board to be composed of 18 members selected as follows: the Attorney General of the State of Illinois, the Director of the Illinois State Police, the Director of Corrections, the Superintendent of the Chicago Police Department, the Sheriff of Cook County, the Clerk of the Circuit Court of Cook County who shall serve as ex-officio members, and the following to be appointed by the Governor: two mayors or village presidents of Illinois municipalities, two Illinois county sheriffs from counties other than Cook County, two managers of Illinois municipalities, two chiefs of municipal police departments in Illinois having no Superintendent of the Police Department on the Board, two citizens of Illinois who shall be members of an organized enforcement officers' association, one active member of a Statewide association representing sheriffs, and one active member of a Statewide association representing municipal police chiefs.

Board officials indicated the Board has no authority to appoint Board members but will work with the Governor's office on filling vacancies of Board members.

Failure to fill Board vacancies may inhibit the Board's ability to function as intended by the General Assembly, may hinder the Board's ability to obtain and maintain a quorum, and represents noncompliance with State laws. (Finding Code No. 2022-002)

RECOMMENDATION

We recommend the Board work with the Governor to ensure Board members' vacancies are filled in a timely manner.

STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-002. **FINDING** (Lack of Required Board Members) (Continued)

BOARD RESPONSE

The Board accepts this finding. Board staff will continue to work with the Governor's office/staff as the Board member vacancies must be appointed by the Governor.

STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-003. **FINDING** (Noncompliance with the Debt Transparency Act)

The Illinois Law Enforcement Training and Standards Board (Board) did not timely file its monthly Debt Transparency Reports (SCO-961 Report) with the Office of Comptroller (Comptroller).

During our testing of 24 monthly SCO-961 Reports that were due during the examination period, we noted the Board did not submit six (25%) Reports and untimely submitted two (8%) Reports to the Comptroller. However, due to lack of proper documentation, we were unable to determine how many days late the two Reports were submitted to the Comptroller.

The State Finance Act (30 ILCS 105/9.08(a)) requires each State agency to provide each month a SCO-961 Report to the Comptroller identifying: (i) current State liabilities held at the agency, by fund source; (ii) whether the liabilities are appropriated; and (iii) an estimate of interest penalties accrued under the State Prompt Payment Act under criteria prescribed by the Comptroller.

Further, the Statewide Accounting Management System (Procedure 33.17.20) requires the Board to file the SCO-961 Report on the 10th calendar day of each month.

Board officials stated the issue was caused by key employee turnover.

Failure to submit SCO-961 Reports on a timely basis inhibits the Comptroller's ability to accumulate meaningful information on liabilities of the State and resulted in noncompliance with State laws. (Finding Code No. 2022-003)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure SCO-961 Reports are timely filed with the Comptroller.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings. Additionally, the Board has entered into an Intergovernmental Agreement with the Department of Central Management Services' internal auditors to assist in addressing the finding.

STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-004. **FINDING** (Inadequate Controls Over Agency Fee Imposition Report)

The Illinois Law Enforcement Training and Standards Board (Board) did not maintain adequate controls over its Agency Fee Imposition Report (Report).

During testing, we noted receipts, totaling \$8,150, reported on the Board’s Fiscal Year 2021 Report did not agree to the Board’s receipt records. Specifically, we noted the Board reported incorrect receipt codes for each receipt in its Fiscal Year 2021 Report. In addition, the Board did not prepare and file its Fiscal Year 2022 Report with the Office of Comptroller (Comptroller).

The State Comptroller Act (Act) (15 ILCS 405/16.2(a)) requires all State agencies that impose and collect fees to file the Agency Fee Imposition Report with the Comptroller. In addition, the Statewide Accounting Management System (SAMS) (Procedure 33.16.20) requires State agencies to include assessments, fares, fees, fines, levies, licenses, penalties, permits, registrations, tolls, and tuition imposed on citizens and private organizations as fees on the Agency Fee Imposition Report. Further, SAMS (Procedure 33.16.20) requires State agencies to file the Report with the Comptroller by August 1 of each year.

Board officials stated these issues were caused by key employee turnover.

Inaccurate reporting of fees reduces the reliability of the Statewide Agency Fee Imposition Report submitted to the General Assembly. Further, failure to prepare and file the Report inhibits the Comptroller’s ability to accumulate Agency Fee Imposition information and resulted in noncompliance with the Act. (Finding Code No. 2022-004, 2020-006)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure the Report is accurately prepared and filed with the Comptroller.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings. Additionally, the Board has entered into an Intergovernmental Agreement with the Department of Central Management Services’ internal auditors to assist in addressing the finding.

STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-005. **FINDING** (Noncompliance with Issuance of Noncompliance Letters)

The Illinois Law Enforcement Training and Standards Board (Board) did not retain documentation to support noncompliance letters were issued to sheriffs who did not complete required training.

During testing, the Board could not provide copies of noncompliance letters issued to six of 33 (18%) sheriffs who did not complete 20 hours of the Board approved training. Therefore, we were unable to determine if the Board issued noncompliance letters to the six sheriffs.

The Counties Code (55 ILCS 5/3-6007) requires each sheriff to obtain at least 20 hours of training, approved by the Board, relating to law enforcement and the operation of a sheriff's office each year. In addition, the Illinois Administrative Code (20 Ill. Admin. Code 1720.70(i)) requires the Board to issue noncompliance letters to sheriffs who did not complete 20 hours of approved training prior to December 31 of any calendar year for the preceding calendar year.

Furthermore, the State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

Board officials indicated they disagreed with this finding noting the letters were created and mailed out, but they were not scanned and saved prior to sending.

Failure to enforce the training requirements by issuing noncompliance letters and maintaining copies of noncompliance letters issued results in noncompliance with State laws. (Finding Code No. 2022-005)

RECOMMENDATION

We recommend the Board issue letters to sheriffs who do not meet the 20 hours of training requirement and maintain a copy of such letters issued.

STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-005. **FINDING** (Noncompliance with Issuance of Noncompliance Letters) (Continued)

BOARD RESPONSE

The Board did comply with the State Records Act (5 ILCS 160/8) which requires agencies to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities. Specifically, the Board records and tracks all form notices sent to Sheriffs who haven't met the annual 20-hour training mandate. The Board does not maintain hard copies of each individual notice in accordance with the Government Electronic Records Act (P.A. 96-1363).

ACCOUNTANT'S COMMENT

The Board did not provide accountants either a hard copy in accordance with the State Records Act or an electronic copy in accordance with the Government Electronic Records Act to support noncompliance letters were issued to sheriffs who did not complete the 20-hour training. Without such documentation, accountants were unable to conclude the Board issued the noncompliance letters. In addition, the Board was able to provide accountants the copies of noncompliance letters it sent to the sheriffs, except for the six sheriffs identified in this finding.

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2022-006. **FINDING** (Voucher Processing Weaknesses)

The Illinois Law Enforcement Training and Standards Board (Board) did not exercise adequate controls over voucher processing.

Non-Payroll Expenditures

During review of 142 vouchers processed during the examination period, we noted the following:

- Eight (6%) vouchers, totaling \$19,180, were approved for payment between seven and 101 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70(b)) requires the Board to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after receiving the bill.

- One (1%) voucher, totaling \$1,364, was charged to the incorrect fiscal year.

The State Finance Act (30 ILCS 105/25(a)) requires all appropriations to be available for expenditure for the fiscal year or for a lesser period if the Act making that appropriation so specifies.

- One (1%) voucher, totaling \$4,298, did not agree with the supporting invoice amount. The vendor was overpaid by \$95.

The State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

- One (1%) voucher, totaling \$7,104, pertaining to purchase of new furniture, had no evidence of the State Property Surplus – New Furniture Affidavit was filed with the Department of Central Management Services (DCMS) prior to the purchase.

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2022-006. **FINDING** (Voucher Processing Weaknesses) (Continued)

The State Property Control Act (30 ILCS 605/7a) requires the Board to file an affidavit with DCMS prior to any purchase of an item of furniture with a purchase price of \$500 or more, specifying the types of new furniture to be bought, the quantities of each type of new furniture, the cost per type, and the total cost per category.

- One (1%) voucher, totaling \$17,284, did not utilize the correct detailed object code.

The Statewide Accounting Management System (SAMS) (Procedure 11.10.50) requires the Board to report expenditure information at a more refined level within a common object.

- One of 22 (5%) travel vouchers, totaling \$507, was not supported with the travel invoice.

The State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

- Five of 22 (23%) travel reimbursements, totaling \$3,999, were submitted to the Board by the travelers between 64 and 179 days after the last day of travel.

The Internal Revenue Service, Publication 535, Business Expenses, requires travelers to submit an adequate accounting of all business expenses within 60 days after the last date of travel.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to ensure expenditures, resources, and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

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2022-006. **FINDING** (Voucher Processing Weaknesses) (Continued)

- One of 22 (5%) travel vouchers had an incorrect official headquarters and did not agree with the Travel Headquarters report (Form TA-2) filed with the Legislative Audit Commission.

The State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

Interest

- Two (1%) vouchers, totaling \$5,244, were paid late and the Board did not pay interest owed to the vendors, totaling \$93.

The State Prompt Payment Act (30 ILCS 540/3-2 (1.05)) requires any bill approved for payment under the Act be paid within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day period, an interest penalty of 0.033% per day outstanding is applied, until the final payment is made.

Finally, this finding was first noted during the Board's compliance examination for the period ended June 30, 2008, over 14 years ago. As such, Board management has been unsuccessful in implementing a corrective action plan to remedy these problems.

Board officials indicated these issues were caused by key employee turnover.

Failure to maintain adequate internal controls over voucher processing represents noncompliance with State laws, rules, and regulations and increases the likelihood errors and other irregularities could occur and not be detected in a timely manner by employees in the normal course of performing their assigned duties. In addition, failure to pay interest represents noncompliance with the State Prompt Payment Act and could result in unpaid vendors needing to seek payment through the Court of Claims. (Finding Code No. 2022-006, 2020-003, 2018-003, 2016-003, 2014-004, 12-3, 10-9, 08-13)

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2022-006. **FINDING** (Voucher Processing Weaknesses) (Continued)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure compliance with the State laws, rules, and regulations when processing vouchers in order to safeguard State resources, including:

- reviewing and approving or denying vendor bills within 30 days from receipt;
- ensuring vouchers are charged to the correct fiscal year;
- ensuring vouchers are properly supported with vendor invoices to avoid over payments;
- ensuring State Property Surplus – New Furniture Affidavit is filed with DCMS prior to purchase of new furniture of \$500 or more;
- ensuring transactions are recorded using the correct detailed object code;
- ensuring travel reimbursements are properly supported and timely submitted by travelers;
- ensuring official headquarters indicated in the travel vouchers agree with the Form TA-2; and
- ensuring interest due is paid to vendors.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings. Additionally, the Board has entered into an Intergovernmental Agreement with the Department of Central Management Services' internal auditors to assist in addressing the finding.

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2022-007. **FINDING** (Inadequate Controls over Telecommunications Devices)

The Illinois Law Enforcement Training and Standards Board (Board) did not maintain adequate controls over telecommunication devices.

During testing, we noted discrepancies in the Board’s records for its issued and cancelled Wireless Communication Devices (WCD). Specifically, we noted several issued WCDs were not included in the Board’s inventory list and the list did not indicate the date on which the WCDs were issued or cancelled.

Due to these conditions, we were unable to conclude whether the Board’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 Board’s telecommunication devices.

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed testing of wireless communication devices and noted the following:

Assignment of Wireless Communication Devices (WCD)

The Board assigned a total of 42 WCDs to employees during Fiscal Years 2021 and 2022. During testing of nine WCDs, we noted the following:

- Four (44%) WCDs were not included in the Board’s WCD inventory list.
- Nine (100%) WCDs did not indicate the date of issuance.
- One (11%) WCD did not have a Telecommunications Service Request (TSR) Form.

Cancellation of WCD

The Board disabled four WCDs in Fiscal Years 2021 and 2022. During testing, we noted the Board failed to provide the completed TSR Form or Offboarding Memo/Notice of Termination for four (100%) WCDs. As such, we could not determine if WCDs were timely cancelled during the examination period.

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2022-007. **FINDING** (Inadequate Controls over Telecommunications Devices) (Continued)

The State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State.

Further, the Department of Central Management Services' (CMS) Wireless Communication Device (WCD) Policy (Policy) requires when an employee no longer has a need for a WCD, whether due to separation from State service, change in duties or position, lack of use or for any other reason as determined by the Board or in consultation with CMS, the employee has to return the WCD. Moreover, the Policy requires the Agency Telecommunication Coordinator to be responsible for securing the return of the WCDs issued to an employee who no longer has a need for the WCD.

Additionally, the Department of Innovation and Technology (DoIT) Wireless Communication Device (WCD) Policy requires agencies to be responsible for documenting an employee's need for a WCD by completing an electronic Telecommunication Service Request (TSR) Form.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure the Board maintains an accurate listing of wireless communication devices issued, cancelled or returned.

Finally, this finding was first noted during the Board's compliance examination for the period ended June 30, 2018, over four years ago. As such, Board management has been unsuccessful in implementing a corrective action plan to remedy these problems.

Board officials stated the exceptions were caused by key employee turnover.

Failure to maintain accurate records of wireless communication devices represents noncompliance with State laws and regulations and increases the potential for fraud and theft of State property. (Finding Code No. 2022-007, 2020-005, 2018-007)

RECOMMENDATION

We recommend the Board strengthen its controls over its telecommunication devices by maintaining an accurate listing of telecommunications devices. Additionally, we recommend the Board to properly document the issuance and cancellation of telecommunications devices to its personnel.

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2022-007. **FINDING** (Inadequate Controls over Telecommunications Devices) (Continued)

BOARD RESPONSE

The Board accepts this finding. Based on the consideration of prior staffing and procedures during the two years ended June 30, 2022, the Board has since appointed two individuals to oversee Telecom Services. These staff members are responsible for requesting, issuing, tracking and reclaiming all inventoried telecom devices. As the State's Service Provider, the DoIT, also provides transactional records for the same. As a corrective action, the Board will continue to maintain all Telecom Device Records and Inventory for issued and reclaimed WCD.

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2022-008. **FINDING** (Inadequate Controls over Appropriation Transfers)

The Illinois Law Enforcement Training and Standards Board (Board) did not maintain adequate controls over appropriation transfers.

During testing, we noted the Board requested two appropriation transfers, totaling \$218,000. However, the Board was unable to provide copies of the Appropriation Transfer Authorization forms (Form C-66) for the two (100%) transfers. Due to this, we were unable to conclude whether these appropriation transfers were accurate and properly approved.

The Statewide Accounting Management System (SAMS) (Procedure 11.20.20) requires the Board to complete Form C-66 prior to requesting appropriation transfers.

Further, the State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State.

Board officials indicated the issue was caused by key employee turnover and oversight.

Failure to properly prepare and maintain Form C-66 hinders accountability and oversight for State funds. In addition, making appropriation transfers without proper approvals could result in errors or other irregularities not being detected and corrected, and represents noncompliance with State laws, rules, and regulations. (Finding Code No. 2022-008)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure Form C-66 is properly prepared, approved and maintained to support its request for appropriation transfers.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings. Additionally, the Board has entered into an Intergovernmental Agreement with the Department of Central Management Services' internal auditors to assist in addressing the finding.

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2022-009. **FINDING** (Noncompliance with Police Training Act)

The Illinois Law Enforcement Training and Standards Board (Board) did not comply with the requirements of the Police Training Act (Act).

During testing of 60 applicants who applied for basic training courses, the Board was unable to provide evidence it had reviewed applicants' background and qualifications before entering the Board-certified academy for sixty (100%) applicants. Due to this condition, we were unable to conclude whether the Board had reviewed the background and qualifications of the applicants.

The Act (50 ILCS 705/6(e)) requires the Board to review and approve applicants to ensure no applicant is admitted to a certified academy unless the applicant is a person of good character and has not yet been convicted of, found guilty of, entered a plea of guilty to, or entered a plea of no contest to a felony offense, any misdemeanor or a crime involving moral turpitude under the State laws, or any felony or misdemeanor in violation of federal law or the law of any State that is equivalent of any of the offenses.

Furthermore, the State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

Board officials indicated the Academy Director reviewed the qualifications of the applicants to enter the academy. In addition, Board officials indicated they have appointed investigators who reviewed the background of the applicants to ensure the applicants have the necessary character to attend the academies. Further, Board officials indicated documentation was maintained by the academies.

Failure to maintain documents to support the review of the background and qualifications of the applicants hinders the Board oversight functions on training and resulted in noncompliance with the Act. Further, failure to maintain documentation inhibits the auditor's ability to perform procedures and provide test results to the General Assembly. (Finding Code No. 2022-009)

RECOMMENDATION

We recommend the Board maintain documentation to support its review of the applicants' background and qualifications.

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2022-009. **FINDING** (Noncompliance with Police Training Act) (Continued)

BOARD RESPONSE

The Board accepts this finding. However, the Academy Entrance Standard Basic Training Certification of Recruit Background is used and maintained by police academies as part of the admission process of each recruit. The certificates are signed under oath by the applicant and hiring authority and attest to the fact the applicant has been subject to a criminal background investigation by the hiring agency, and the applicant has not committed any felony, qualifying misdemeanor, or crime involving moral turpitude in this State or any other state and is a person of good character. Original certificates are held by each academy and are subject to Board inspection, review, and approval. The Board is updating electronic form applications to eliminate this issue moving forward.

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2022-010. **FINDING** (Inadequate Controls over Reconciliations)

The Illinois Law Enforcement Training and Standards Board (Board) did not perform monthly reconciliations of the Board’s activity to the Office of Comptroller’s (Comptroller) records in accordance with the Statewide Accounting Management System (SAMS) Manual.

During testing, we noted the following:

- The Board did not perform Fiscal Year 2021 monthly reconciliations for:
 - Sixteen of 16 (100%) Monthly Appropriations Status Reports (SB01)
 - One of 16 (6%) Monthly Appropriation Transfer Reports (SB03)
 - Sixteen of 16 (100%) Monthly Cash Reports (SB05)
- The Board’s reconciliations for the following monthly reports did not have documentation when the reconciliations were performed; therefore, we were unable to determine if the reconciliations were performed timely during Fiscal Years 2021 and/or 2022 for:
 - Sixteen of 16 (100%) Monthly Appropriations Status Reports (SB01) for Fiscal Year 2022
 - Twelve of 16 (75%) Monthly Cash Reports (SB05) for Fiscal Year 2022
 - Twenty-four of 24 (100%) Monthly Revenue Status Reports (SB04) for Fiscal Years 2021 and 2022
 - Seven of eight (88%) Monthly Agency Contract Reports (SC14) for Fiscal Years 2021 and 2022

The SAMS (Procedure 07.30.20) requires the Board to reconcile its records on a monthly basis within 60 days of the month end. The SAMS Procedure also notes the effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handled that data properly. The Board’s reconciliation is the primary control that ensures these requirements are being satisfied.

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2022-010. **FINDING** (Inadequate Controls over Reconciliations) (Continued)

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports and to maintain accountability over the State's resources.

This finding was first noted during the Board's compliance examination for the period ended June 30, 2014, over eight years ago. As such, Board management has been unsuccessful in implementing a corrective action plan to remedy these problems.

Board officials indicated, as they did in the prior examination, these issues were caused by key employee turnover.

Failure to prepare and review the reconciliations in a timely manner could result in errors not being timely detected and corrected, hinders accountability over State funds, and represents noncompliance with State laws, rules, and regulations. (Finding Code No. 2022-010, 2020-007, 2018-004, 2016-005, 2014-002)

RECOMMENDATION

We recommend the Board ensure monthly reconciliations of its activity to the Comptroller's records are timely performed, reviewed and documented.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings. Additionally, the Board has entered into an Intergovernmental Agreement with the Department of Central Management Services' internal auditors to assist in addressing the finding.

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2022-011. **FINDING** (Inadequate Controls over Awards and Grants)

The Illinois Law Enforcement Training and Standards Board (Board) did not exercise adequate internal controls over Awards and Grants.

The Board provided grants, through the Law Enforcement Camera Grant Act (Act) (50 ILCS 707/10), to units of local governments and public universities within the State for the purpose of (1) purchasing in-car video cameras for use in law enforcement vehicles, (2) purchasing officer-worn body cameras and associated technology for law enforcement officers, and (3) training for law enforcement officers in the operation of the cameras.

During testing of 25 Camera Grants, we noted the following:

- For five (20%) grants, the grant recipients did not submit the annual reports to the Board.
- For two (8%) grants, the grant recipients submitted an incomplete annual report to the Board.
- For one (4%) grant, a grant reimbursement, totaling \$76,300, did not agree with the supporting documentation.
- For one (4%) grant, the grant recipient did not submit the Camera Grant Roster to the Board.

The Illinois Administrative Code (20 Ill. Admin. Code 1705.180 and 1705.190) requires each law enforcement agency receiving a grant for in-car video cameras and officer-worn body cameras under Section 10 of the Act to provide an annual report to the Board, the Governor, and the General Assembly on or before May 1 of the year following the receipt of the grant and by May 1 thereafter during the period of the grant (while cameras remain in use). The report shall include the following: a) the number of cameras received by the law enforcement agency; b) the number of cameras actually installed in law enforcement agency vehicles; c) a brief description of the review process used by supervisors within the law enforcement agency; and d) a list of any criminal, traffic, ordinance and civil cases in which in-car video recordings were used, including party names, case numbers, offenses charged, and disposition of the matter.

Further, the Board's Camera Grant Award policy requires each camera grant recipient to submit to the Board a Camera Grant Roster requiring all serial numbers associated with in-car and officer-worn cameras, dated purchase receipts for each camera, dated installation receipts for each in-car camera on the roster, and notice of State award.

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2022-011. **FINDING** (Inadequate Controls over Awards and Grants) (Continued)

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board 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 law.

Finally, the State Records Act (5 ILCS 160/8) requires the Board make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

Board officials stated the issues were caused by key employee turnover and employee oversight.

Failure to require grant recipients submit complete annual reports and Camera Grant Rosters hinders governmental oversight and represents noncompliance with State laws and regulations. In addition, grant reimbursements with incorrect supporting documents could result in errors or other irregularities not being timely detected. (Finding Code No. 2022-011)

RECOMMENDATION

We recommend the Board strengthen its monitoring controls over Camera Grants to ensure grant recipients submit annual reports and Camera Grant Rosters to the Board. In addition, we recommend the Board ensure camera grant reimbursements are properly supported.

BOARD RESPONSE

The Board accepts this finding. However, we are attempting to safeguard this for the future by utilizing a new system and scanning all necessary files for future reference. The Board met its obligations by ensuring the agencies that did not comply with submitting annual reports did not receive a subsequent grant award. Since then, the Board is working on preventing these issues going forward.

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2022-012. **FINDING** (Inadequate Controls over Receipts)

The Illinois Law Enforcement Training and Standards Board (Board) did not maintain adequate controls over its receipts.

During testing, we requested the Board a listing of all receipts received during the examination period. However, the Board could not provide a general ledger of receipts, therefore, we were unable to conclude whether the Board'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 Board's receipts.

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed testing of nine receipts and noted the following:

- The Board did not maintain copies of Receipt Deposit Transmittals (Form C-64) that were countersigned by the State Treasurer and Comptroller for four (44%) receipts.
- The Board was unable to provide a Form C-64 for one (11%) receipt.
- The Board was unable to provide the deposit slip and a copy of the check for two (22%) receipts.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2(a)) requires the Board to maintain proper books with detailed itemized account of all monies received for or on behalf of the State of Illinois, showing the date of receipt, the payor, purpose and amount, and the date and manner of disbursement.

Further, the Statewide Accounting Management System (SAMS) (Procedure 25.20.10) requires the Board to deposit monies into the proper receipt account and fund within the State Treasury by submitting a Form C-64.

Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish a system, or systems, of internal fiscal and administrative controls to provide assurance revenues and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Board officials indicated these issues were caused by key employee turnover and oversight.

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2022-012. **FINDING** (Inadequate Controls over Receipts) (Continued)

Failure to maintain a general ledger of receipts and supporting documentation over receipts reduces the overall reliability of the Board’s financial reporting and resulted in noncompliance with the State laws and SAMS. (Finding Code No. 2022-012)

RECOMMENDATION

We recommend the Board strengthen its controls over receipts processing to ensure receipts are properly documented and books and records are maintained in compliance with the State laws and SAMS.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings. Additionally, the Board has entered into an Intergovernmental Agreement with the Department of Central Management Services’ internal auditors to assist in addressing the finding.

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2022-013. **FINDING** (Inadequate Computer Security Controls)

The Illinois Law Enforcement Training and Standards Board (Board) had not established adequate computer security controls.

The Board utilizes the services of the Department of Innovation and Technology (DoIT) for its Central Time and Attendance System (CTAS) and Central Payroll System (CPS) applications. The Board is responsible for complying with Complementary User Entity Controls (CUECs) identified in DoIT's System and Organization Controls (SOC) report.

During our testing, the Board was unable to provide the following:

- a listing of the Boards' security software identifications (IDs);
- access security reports over CPS and CTAS; and
- documentation of access reviews performed.

As a result, we were unable to determine if the Board was granting access to CTAS and CPS based on job duties, maintaining segregation of duties, revoking access to separated employees, and conducting regular access reviews.

In addition, the Board did not obtain and review DoIT's SOC reports.

The Fiscal Control and Internal Auditing Act (30 ILS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and to maintain accountability over the State resources.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Services Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to services provided. Such assurance may be obtained via SOC reports or independent reviews. In addition, NIST, Access Control section requires entities implement access controls such as access administration, maintaining segregation of duties, and periodic review of access rights.

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2022-013. **FINDING** (Inadequate Computer Security Controls) (Continued)

Board officials indicated these issues were caused by employee turnover.

Failure to implement adequate security controls increases the risk of unauthorized individuals gaining access to computing resources and the risk that confidentiality, integrity, and availability of systems and data will be compromised. (Finding Code No. 2022-013)

RECOMMENDATION

We recommend the Board implement controls to ensure only authorized individuals have access to its application and data. Further, we recommend the Board:

- obtain DoIT's SOC reports and document their review.
- monitor and document the operation of CUECs related to the Board's operations.
- either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- document the review of the SOC reports and all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impact to the Board, and any compensating controls.

BOARD RESPONSE

The Board accepts this finding.

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2022-014. **FINDING** (Inadequate Controls over Vehicles)

The Illinois Law Enforcement Training and Standards Board (Board) did not maintain adequate controls to ensure its vehicles were properly maintained.

Vehicle Listing

During review of the Board’s operating automobiles’ internal records for 12 vehicles, we noted:

- Nine vehicles’ (75%) beginning mileage balances for Fiscal Year 2021 did not agree with their ending mileage balances of Fiscal Year 2020.
- One vehicle’s (8%) beginning mileage balance for Fiscal Year 2022 did not agree with its ending mileage balance of Fiscal Year 2021.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls include maintaining an accurate schedule of State vehicles with mileage balances.

Individually Assigned Vehicle (IAV) Report

During review of IAV Reports for nine vehicles, we noted:

- The IAV reports submitted to the Department of Central Management Services (CMS) had incorrect mileage balances for nine (100%) vehicles.
- The Fiscal Year 2021 IAV report was submitted to CMS 193 days late.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.340) requires the Board to report annually to CMS, and when changes occur, the name of each employee assigned a vehicle, the equipment number and license plate number of the assigned vehicle, employee's headquarters and residence, and any additional information requested by CMS.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance resources are utilized efficiently and effectively. Good internal control over vehicles includes maintaining an accurate schedule of State vehicles specifically on accuracy of vehicle’s mileage driven in light of the vehicle's specific breakeven point and/or specific operating need.

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2022-014. **FINDING** (Inadequate Controls over Vehicles) (Continued)

Maintenance

During review of maintenance records for four vehicles, we noted:

- Four vehicles (100%) did not receive vehicle maintenance (oil change and tire rotation) on scheduled intervals.

The Vehicle Guide of the Department of CMS requires oil changes every 3,000 miles or 12 months, whichever comes first for passenger vehicles 10 years or older; 5,000 miles or 12 months, whichever comes first for nine-years-old and newer passenger vehicles as well as a tire rotation on all passenger vehicles in conjunction with every second oil change.

Finally, this finding was first noted during the Board’s compliance examination for the period ended June 30, 2016, over six years ago. As such, Board management has been unsuccessful in implementing a corrective action plan to remedy these problems.

Board officials indicated these issues were caused by key employee turnover.

Failure to accurately and timely report vehicle information to CMS represents noncompliance with the Code and hinders CMS’s oversight of the individually assigned vehicles and passenger vehicles. In addition, failure to maintain accurate mileage records and failure to exercise adequate controls over vehicles maintenance could result in the State incurring unnecessary costs and additional repairs to, and shorten useful lives of, vehicles. (Finding Code No. 2022-014, 2020-008, 2018-008, 2016-006)

RECOMMENDATION

We recommend the Board maintain accurate mileage of vehicles and timely report IAV reports to CMS. We also recommend the Board review its internal controls over monitoring its fleet to ensure vehicles mileage records are accurate, and vehicles receive timely maintenance.

BOARD RESPONSE

The Board accepts this finding. The Board is working to continuously monitor its vehicles and putting in place safeguards to prevent similar future findings. Also, all Board vehicles now have a self-alert for maintenance.

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2022-015. **FINDING** (Inadequate Controls over Agency Workforce Reports)

The Illinois Law Enforcement Training and Standards Board (Board) did not maintain adequate controls over the filings of its Agency Workforce Reports for Fiscal Years 2020 and 2021.

The Agency Workforce Report (Report) is required to be submitted annually to the Governor’s Office and the Office of the Secretary of State as part of the State Employment Records Act (Act). The report is designed to provide data relative to: (1) the number and income levels of Agency employees, (2) the number of employees by gender, (3) the number of employees by minority group, (4) the number of employees with physical disabilities, (5) the number of open positions of employment, and (6) the total number of persons employed as professionals.

Based on review of the Board’s Fiscal Year 2020 and Fiscal Year 2021 Reports that were due in Fiscal Year 2021 and Fiscal Year 2022, respectively, we noted the Board’s supporting documentation for Fiscal Year 2021 did not agree to the Report. Further, the Board did not provide supporting documentation for the number of workers broken out by contractual, positions opening, opening filled – new hires, and opening filled – promotion, reported in Fiscal Year 2020 and Fiscal Year 2021 Reports.

In addition, during our prior examination of the two years ended June 30, 2020, we noted problems with the Board’s Report for both Fiscal Year 2018 and Fiscal Year 2019 as described in Finding 2020-001. As such, we recommended the Board file corrected Reports for these years with the Governor’s Office and the Office of the Secretary of State within 30 days after the Board’s *Compliance Examination* report released by the Auditor General. However, we noted the Board filed the corrected Reports 394 and 398 days late with the Governor’s Office and Office of the Secretary of State, respectively.

The Act (5 ILCS 410/5(b)) requires the Board to collect, classify, maintain, and publish, for State and public use, certain employment statistics in a prescribed format.

In addition, the State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board’s activities.

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2022-015. **FINDING** (Inadequate Controls over Agency Workforce Reports) (Continued)

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure information reported on the Report is accurate.

Furthermore, the Illinois State Auditing Act (30 ILCS 5/3-2.2(b)) requires the Board to prepare and file with the Governor and the Secretary of State a corrected Report within 30 days after the Board's *Compliance Examination* report was released by the Auditor General.

Board officials indicated these issues were caused by key employee turnover.

Failure to include complete and accurate information on the Board's Reports could deter efforts by State officials, administrators, and residents to achieve a more diversified State workforce. In addition, failure to maintain documentation supporting the accuracy of data in the Reports represents noncompliance with State laws and hinders the Board's ability to support its filing. Finally, failure to file the corrected Reports for both Fiscal Year 2018 and Fiscal Year 2019 resulted in the Governor's Office and Office of the Secretary having inaccurate information about the Board's workforce and resulted in noncompliance with the Illinois State Auditing Act. (Finding Code No. 2022-015, 2020-001)

RECOMMENDATION

We recommend the Board implement procedures to ensure the Reports are accurate and timely filed in compliance with the Act. Additionally, we recommend the Board maintain sufficient documentation to support the preparation and accuracy of the Reports. Finally, we recommend the Board file corrected Reports with the Governor's Office and Office of the Secretary of State within 30 days after the release of this compliance report.

BOARD RESPONSE

The Board accepts this finding. This issue was caused because of key employee turnover making it difficult to accurately prepare the report due to the unfamiliarity with the requirements. Additionally, reports were completed but did not match with the Central Management Services' Mobius database as it is six to nine months behind. This has since been rectified and will be corrected going forward.

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2022-016. **FINDING** (Inadequate Controls over Employee Attendance and Leave Requests)

The Illinois Law Enforcement Training and Standards Board (Board) did not exercise adequate controls over its employee attendance and leave requests.

During review of eight employees' monthly attendance records, we noted the following:

- One (13%) employee's timesheets for the entire month could not be located. As a result, hours worked by the employee could not be verified.
- One (13%) employee's leave requests could not be located. As a result, vacation hours used by the employee could not be verified.
- One (13%) employee's leave requests were not pre-approved by the employee's supervisor before the employee's personal absence from work. Specifically, we noted the employee's leave requests on two separate instances were submitted three to 4 days late to the supervisor.

The Board's Personnel Manual (Time and Attendance) requires its employees to document their time worked each day in writing.

In addition, the Illinois Administrative Code (Code) (80 Ill. Admin. Code 303.340) requires the Board to maintain accurate, daily attendance records.

Furthermore, the Board's Personnel Manual (Vacation) requires employees to submit a Leave Request/Approval form and obtain supervisor's approval in advance of the requested day off. It requires supervisors to consider the Board's operational needs and workload before granting requests.

Finally, the Code (80 Ill. Admin. Code 303.350) requires employees to provide advance notice of absence from work.

Board officials indicated these issues were caused by key employee turnover. Board officials also indicated leave requests were not approved in a timely manner due to the employee's failure to understand the Board requirements.

Failure to maintain adequate controls over employee leave requests and attendance records increases the risk of the Board paying for services not rendered by employees. (Finding Code No. 2022-016)

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2022-016. **FINDING** (Inadequate Controls over Employee Attendance and Leave Requests)
(Continued)

RECOMMENDATION

We recommend the Board ensure employee attendance and leave of absence records are properly maintained. In addition, we recommend the Board ensure employee leave requests are approved in advance or timely.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings. Additionally, the Board has entered into an Intergovernmental Agreement with the Department of Central Management Services' internal auditors to assist in addressing the finding.

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2022-017. **FINDING** (Inadequate Internal Controls over Census Data)

The Illinois Law Enforcement Training and Standards Board (Board) did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the Board's employees within the Fund are members of both the State Employees' Retirement System of Illinois (SERS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Finally, we noted CMS' actuaries use SERS' census data records to prepare the OPEB actuarial valuation.

During testing, we noted the following:

- 1) The Board had not performed an initial complete reconciliation of its census data recorded by SERS to its internal records to establish a base year of complete and accurate census data.
- 2) After establishing a base year, the Board had not developed a process to annually obtain from SERS the incremental changes recorded by SERS in their census data records and reconcile these changes back to the Board's internal supporting records.

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2022-017. **FINDING** (Inadequate Internal Controls over Census Data) (Continued)

For employers participating in plans with multiple-employer and cost-sharing characteristics, the American Institute of Certified Public Accountants' Audit and Accounting Guide: State and Local Governments (AAG-SLG) (§ 13.177 for pensions and § 14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§ 13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

Further, the State Records Act (5 ILCS 160/8) requires the Board make and preserve records containing adequate and proper documentation of its essential transactions to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

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 funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

Board officials indicated these issues were caused by key employee turnover and oversight.

Failure to reconcile active members' census data reported to and held by SERS to the Board's records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the State's pension and OPEB balances, which may result in a misstatement of these amounts. (Finding Code No. 2022-017)

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2022-017. **FINDING** (Inadequate Internal Controls over Census Data) (Continued)

RECOMMENDATION

We recommend the Board work with SERS to develop an annual reconciliation process of its active members' census data from its underlying records to a report of the census data submitted to each plan's actuary. After completing an initial full reconciliation, the Board may limit the annual reconciliation to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings.

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2022-018. **FINDING** (Insufficient Controls over Equipment)

The Illinois Law Enforcement Training and Standards Board (Board) did not maintain sufficient controls over its equipment and related fiscal records.

We noted several deficiencies and weaknesses within the Board’s property control process, as noted below:

Property Reporting

During testing, we noted the Board did not maintain detailed supporting documentation of its quarterly *Agency Report of State Property* reports (Form C-15s) filed with the Office of the Comptroller (Comptroller). As of June 30, 2021, and June 30, 2022, the Board reported total property of \$304,923 and \$388,640, respectively. Due to the lack of detailed documentation, we were unable to perform the following compliance examination procedures:

- The property additions reported on the Board’s Form C-15s submitted to the Comptroller could not be agreed to supporting documentation for all quarters in Fiscal Year 2021 and for the first quarter in Fiscal Year 2022.
- The property deletions reported on the Board’s Form C-15s submitted to the Comptroller could not be agreed to supporting documentation for the first quarter in Fiscal Year 2021 and for the fourth quarter in Fiscal Year 2022.

Due to these conditions, we were unable to conclude whether the Board’s population records to support the Form C-15s 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 Board’s equipment records.

Even given the population limitations noted above which hindered our ability to conclude whether the Form C-15s were complete and accurate, we performed a review of the Board’s annual inventory certifications, quarterly Form C-15 reports, and equipment items.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls. This would include controls to ensure supporting documentation is maintained.

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2022-018. **FINDING** (Insufficient Controls over Equipment) (Continued)

In addition, the Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Board to maintain detailed records for its Form C-15 filed with the Comptroller.

Annual Inventory Certifications

During testing of annual inventory certifications, we noted the following:

- A laptop with acquisition cost of \$570 was incorrectly listed as “unable to locate” in the inventory listing reported on the Fiscal Year 2022 Inventory Certification Report. When we followed up on this matter with the Board officials, they indicated the laptop was subsequently found and tagged for surplus.
- Fiscal Year 2021 and Fiscal Year 2022 Inventory Certification Reports were submitted 168 and 87 days late, respectively, to the Department of Central Management Services (CMS).

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.460) requires the Board to complete and certify the Board’s annual physical inventory of State equipment and submit a complete property listing to CMS on dates designated by CMS.

Agency Reports of State Property (Form C-15)

During testing, we noted one of eight (13%) C-15 reports was submitted to the Comptroller four days late.

SAMS (Procedure 29.20.10) requires the Board to file the Form C-15 on a quarterly basis no later than the last day of the month following the last day of the quarter.

Equipment Items

During testing of 120 equipment items, split between a sample of 60 items traced from the Board’s property listing and 60 items in service at the Board, we noted the following issues:

- One of 60 (2%) equipment items, totaling \$715, selected from the Board’s property listing was unable to be located. Board officials indicated it was a surplus equipment; however, upon further verification we noted this item was not included in the Board’s surplus inventory report.

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2022-018. **FINDING** (Insufficient Controls over Equipment) (Continued)

- One of 60 (2%) equipment items, totaling \$709, selected from the Board's property listing was unable to be located. Board officials indicated this item could not be located since Fiscal Year 2020.
- Nine of 60 (15%) equipment items selected at the Board were not included on the annual inventory report submitted to CMS.
- Nine of 60 (15%) equipment items selected at the Board were tagged but were not included on the Board's inventory records.

SAMS (Procedure 29.10.10) requires the Board to maintain current property records, including the location, cost, and a short description of the asset. Further, the Code (44 Ill. Admin. Code 5010.230) requires the Board to correctly enter each item's location code number, purchase price, and description on its property listing.

Additions and Deletions

During testing, we noted the following:

- For eight of 28 (29%) equipment items purchased, totaling \$3,896, the Board was unable to provide invoices. As a result, we were unable to determine if assets were recorded at their proper values in the Board's property control records.
- For twenty of 28 (71%) equipment items purchased, totaling \$16,557, delivery charges were not included in the acquisition value of the equipment.
- Twenty of 28 (71%) computers purchased, totaling \$16,557, were added to the Board's property records between 33 and 48 days prior to the actual delivery date of the computers.
- One of 20 (5%) equipment items, in the amount of \$715, was listed as surplus; however, upon auditor's further inquiry, the Board has located this item at its Chicago Office.

The Code (44 Ill. Admin. Code 5010.240(e)) requires the Board to record an item's acquisition value in its property records including delivery and installation costs. Further, the Code (44 Ill. Admin. Code 5010.400) requires the Board to adjust property records within 90 days of acquisition, change, or deletion of equipment items.

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2022-018. **FINDING** (Insufficient Controls over Equipment) (Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls. This would include controls to ensure supporting documentation is maintained.

Finally, this finding was first noted during the Board’s compliance examination for the period ended June 30, 2012, over 10 years ago. As such, Board management has been unsuccessful in implementing a corrective action plan to remedy these problems.

Board officials indicated issues were caused by key employee turnover.

Failure to exercise adequate controls over property, maintain accurate property records, and file reports timely represents noncompliance with State laws and regulations and increases the risk of loss, misappropriation, and potential for fraud and theft of State property. (Finding Code No. 2022-018, 2020-002, 2018-002, 2016-002, 2014-003, 12-1)

RECOMMENDATION

We recommend the Board strengthen its controls over recording and reporting of its State property and equipment transactions. Furthermore, we recommend the Board implement a corrective action plan to identify and correct its accumulated property and equipment errors.

BOARD RESPONSE

The Board accepts this finding. The Board’s new Chief Fiscal Officer and Lead Accountant have embraced the Enterprise Resource Planning cloud-based solution which should address and prevent future such findings. Additionally, the Board has entered an Intergovernmental Agreement with the Department of Central Management Services’ internal auditors to assist in addressing the finding.

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2022-019. **FINDING** (Inadequate Controls over Personal Services)

The Illinois Law Enforcement Training and Standards Board (Board) did not have adequate controls over its personal services functions.

Performance Evaluations

During testing of eight employees who required performance evaluations during the examination period, we noted the following:

- Two (25%) performance evaluations were not completed; and
- One (13%) performance evaluation was not signed; thus, we were unable to determine if the evaluation was timely completed.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270) requires the Board to ensure each certified employee receives a performance evaluation not less often than annually and each probationary employees receive more frequent evaluations.

Leave Accrual

During our review of leave accruals of eight employees during the examination period, we noted the following:

- One (13%) employee's leave accrual exceeded the maximum accrual by one day for Fiscal Year 2022.
- One (13%) employee's leave accrual exceeded the maximum accrual by 13 and 16 days for Fiscal Year 2021 and Fiscal Year 2022, respectively.

The Illinois Administrative Code (Code) (80 Ill. Admin. Code 500.340) requires each eligible employee to earn vacation time of 10 working days per year of employment from the date of hire until the completion of five years of continuous service. Vacation time shall not be accumulated for more than 24 months after the end of the calendar year in which it is earned.

Deferred Compensation Plan (Plan)

During our review of three new employees' participation to the State Employees' Retirement System of Illinois (SERS) during the examination period, we noted the Board did not enroll two (67%) new employees in the State Employees Deferred Compensation Plan. These employees did not opt-out to participate in the Plan.

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2022-019. **FINDING** (Inadequate Controls over Personal Services) (Continued)

The Illinois Pension Code (40 ILCS 5/24-105.2) requires, effective July 1, 2020, all new participants in SERS must be automatically enrolled in the Plan and have 3% of their pre-tax gross compensation deferred on the first day of the next pay period following the employee's 30th day of employment. An employee may elect, within 90 days of enrollment, to withdraw from the Plan and receive a refund of deferred amounts, forfeiting all employer contributions, if any, made prior to the election, with the refunded amount included in the employee's gross income for the taxable year in which the refund is issued.

Board officials indicated these issues were caused by key employee turnover and oversight.

Employee performance evaluations are a systematic and uniform approach used for employee development and communication of performance expectations to employees. Failure to conduct timely employee performance evaluations delays formal feedback on an employee's performance, delays communication of areas for improvement, and delays communication of the next period's performance goals and objectives. In addition, employee performance evaluations should serve as a foundation for salary adjustments, promotions, demotions, discharges, layoff, recall, or reinstatement decisions. Further, granting leave accruals more than allowed to results in an additional liability to the State. Finally, failure to enroll eligible employees in the Plan hinders the ability of the employees to defer and invest part of their gross compensation and resulted in noncompliance with State laws, rules and regulations. (Finding Code No. 2022-019)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure:

- 1) employees receive timely evaluation of their performance;
- 2) employee leaves are accrued no more than allowed by the Code; and
- 3) eligible employees are timely enrolled in the Deferred Compensation Plan.

BOARD RESPONSE

The Board accepts this finding. However, during this time staff shortage/turnover was an issue which caused the deficiency in this area. Staff has since corrected this problem and is monitoring this process to prevent similar future findings. Additionally, the Board has entered an Intergovernmental Agreement with the Department of Central Management Services' internal auditors to assist in addressing the finding.

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2022-020. **FINDING** (Inadequate Controls over Contracts)

The Illinois Law Enforcement Training and Standards Board (Board) did not maintain adequate controls over contracts.

During testing of four contracts, we noted the following:

- Two (50%) contracts, totaling \$71,000, did not have Contract Obligation Documents (COD) filed with the Office of Comptroller (Comptroller). However, we noted the individual vouchers related to these contracts submitted to the Comptroller for payment did not exceed \$20,000.
- Four contracts (100%), totaling \$144,000, were signed between two and 242 days after the start of the contract term.
- One (25%) contract, totaling \$35,000, did not indicate the vendor taxpayer identification number, and its corresponding certification page was not signed.
- Three (75%) contracts, totaling \$109,000, omitted some or all of the following applicable contract certifications required by laws, rules and regulations:
 - a) Appropriation Contingency Clause
 - b) Bribery Clause
 - c) Debt Delinquency Certification
 - d) Drug Free Workplace Certification if contract is with individual or sole proprietor over \$5,000
 - e) Education Loan if issued to an individual for goods or services
 - f) Environment Protection Act
 - g) Felons
 - h) Prohibited Bidders and Contractors Certifications/Felony Conviction under the Sarbanes-Oxley Act or Illinois Securities Law
 - i) Illinois Use Tax Certification
 - j) International Anti-Boycott Certification for contracts that exceed \$10,000
 - k) State Board of Elections Certification
 - l) Conflicts of Interest

The Illinois Procurement Code (Code) (30 ILCS 500 et seq.) and the Statewide Accounting Management System (SAMS) (Procedure 15.20 et seq. and 15.10.40) require State agencies to file contracts exceeding \$20,000 with the Comptroller within 30 calendar days after execution. Also, SAMS (Procedure 15.20.10) requires agencies to file the COD with the Comptroller to establish obligations against the contracts. Further, the Code requires the contracts to include all applicable contract

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2022-020. **FINDING** (Inadequate Controls over Contracts) (Continued)

requirements in accordance with laws, rules and regulations to specific type of contract. Moreover, the Code (30 ILCS 500/20-80(d)) requires no voucher be submitted to the Comptroller for payment unless the contract was reduced to writing before the services were rendered.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls. This would include controls to ensure contracts are fully executed prior to the start of the contract term.

Finally, this finding was first noted during the Board's compliance examination for the period ended June 30, 2018, over 4 years ago. As such, Board management has been unsuccessful in implementing a corrective action plan to remedy these problems.

Board officials indicated these issues were caused by key employee turnover.

Failure to maintain adequate controls over contracts may expose the State to unnecessary legal risks and could result in unnecessary expenses. (Finding Code No. 2022-020, 2020-004, 2018-006)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure contracts are properly executed prior to the start of the contract term. Further, we recommend the Board to ensure CODs are filed with the Comptroller in accordance with the State statutes. Finally, we recommend the Board to ensure contracts include all applicable contract certifications in accordance with laws, rules and regulations.

BOARD RESPONSE

The Board accepts this finding. The Board is working to address the current findings and putting in place safeguards to prevent similar future findings.

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2022-021. **FINDING** (Noncompliance with the Illinois Governmental Ethics Act)

The Illinois Law Enforcement Training and Standards Board (Board) did not comply with the Illinois Governmental Ethics Act (Act).

During testing, we noted the following:

- In Fiscal Year 2021, the Board was unable to provide evidence it had certified the names and mailing addresses of the persons required to file Statements of Economic Interest (SEI) to the Secretary of State. In addition, the Board did not timely perform a review of the SEI completed and filed by the Board's employees in the Secretary of State's system. The Board completed the review one day late.
- In Fiscal Year 2022, the Board did not timely certify the names and mailing addresses of the persons required to file the SEI to the Secretary of State. The Board certified the names and addresses 22 days late.

The Illinois Governmental Ethics Act (5 ILCS 420/4A-106) requires the Board to certify to the Secretary of State the names and mailing addresses of persons required to file statements of economic interest, on or before February 1 annually.

In addition, the State Officials and Employees Ethics Act (5 ILCS 430/20-23) requires the Board's Ethics Officer to review statements of economic interest and disclosure forms of officers, senior employees, and contract monitors before they are filed with the Secretary of State.

Furthermore, the State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

Board officials indicated exceptions were due to oversight.

Failure to timely review the SEI may inhibit the State's ability to timely detect transactions involving parties having financial, business or personal relationships with Board's members and employees. Furthermore, failure to timely certify the names and addresses of persons required to file the SEI and failure to retain documents of certification result in noncompliance with State laws. (Finding Code No. 2022-021)

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2022-021. **FINDING** (Noncompliance with the Illinois Governmental Ethics Act)
(Continued)

RECOMMENDATION

We recommend the Board certify to the Secretary of State the names and mailing addresses of persons required to file statements of economic interest, on or before February 1 annually, and maintain documentation of the certification. Further, we recommend the Board comply with the State Officials and Employees Ethics Act by requiring the Ethics Officer to review the statements of economic interest before they are filed with the Secretary of State.

BOARD RESPONSE

The Board accepts this finding. The State Officials and Employees Ethics Act (5 ILCS 430/20-23) indicates that the Ethics Officer shall review SEI and disclosure forms of officers, senior employees, and contract monitors before they are filed with the Secretary of State (SOS). The SOS updated how it receives SEI to an electronic format and paper copies are no longer used. The SOS system does not allow SEI to be submitted until the Ethics Officer physically clicks the Review and Submit button. Due to purging of the SOS email system, the requested documents are no longer available.

**STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022**

2022-022. **FINDING** (Failure to Timely Provide Requested Engagement Documentation)

The Illinois Law Enforcement Training and Standards Board (Board) did not provide requested documentation to auditors in a timely manner.

During the examination, we made numerous requests to the Board. We provided the Board with 89 specific written requests for documentation in order to perform our testing. These specific written requests often included multiple items within the each request such as samples of vouchers and receipts. Each of these routine examination requests was given a due date of at least one week, and in many cases much longer. Of the 89 requests, 60 (67%) requests were not fully completed by the Board within the allotted time. **The delays ranged from 52 to 297 days.**

<u>Delays from the Requested Due Date</u>	<u>Number of Requests</u>
31-60 days	5
61-90 days	5
Over 90 days	50
Total	60

In response to these delays, the Office of the Auditor General issued two audit delay letters to the Board on August 3, 2022 and August 31, 2022.

The Illinois State Auditing Act (Act) (30 ILCS 5/3-12) requires the Board and its officers and employees to promptly comply with, and aid and assist the Auditor General. In addition, the Act requires the Board, at the request of the Auditor General, to make available to the Auditor General’s representatives *without delay* any record or information requested.

Also, subsequent to the entrance conference held on May 19, 2022, the Board’s Chair and Executive Director acknowledged their understanding of the Act’s requirements by signing the Engagement Scope Letter on July 20, 2022, and July 13, 2022, respectively.

Board officials indicated this issue was caused by key employee turnover, office relocation process, and other competing priorities.

Failure to provide requested documentation in a timely manner prevented the auditors from completing the examination timely and to provide useful and relevant feedback to the General Assembly regarding the Board’s compliance with various laws and regulations. (Finding Code No. 2022-022)

STATE OF ILLINOIS
ILLINOIS LAW ENFORCEMENT TRAINING AND STANDARDS BOARD
SCHEDULE OF FINDINGS – CURRENT FINDINGS
For the Two Years Ended June 30, 2022

2022-022. **FINDING** (Failure to Timely Provide Requested Engagement Documentation)
(Continued)

RECOMMENDATION

We recommend the Board strengthen its controls to ensure documentation is provided in a timely manner upon request by the Auditor General’s representatives.

BOARD RESPONSE

The Board accepts this finding. However, during the time of needing the documents, the Board had key employee turnover, significant increase in statutory mandates from the Illinois Safety, Accountability, Fairness and Equity-Today Act, eight months of relocation process in which all documents were packaged for storage and transportation, migration to new fiscal and accounting software requiring extensive trainings by key fiscal staff, and COVID-19 complications.