

**STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2014

STATE OF ILLINOIS
 LEGISLATIVE ETHICS COMMISSION
 COMPLIANCE EXAMINATION
 For the Two Years Ended June 30, 2014

TABLE OF CONTENTS

| | | <u>Page(s)</u> |
|--|---|-----------------------|
| Agency Officials | | 1 |
| Management Assertion Letter | | 2 |
| Compliance Report: | | |
| Summary | | 3 |
| Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes | | 4 |
| Schedule of Findings | | |
| Current Findings – State Compliance | | 7 |
| Supplementary Information for State Compliance Purposes: | | |
| Summary | | 11 |
| Fiscal Schedules and Analysis | | |
| Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2014 | 1 | 12 |
| Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2013 | 2 | 13 |
| Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances | 3 | 14 |
| Schedule of Changes in State Property | 4 | 15 |
| Analysis of Significant Variations in Expenditures | 5 | 16 |
| Analysis of Significant Lapse Period Spending | 6 | 18 |
| Analysis of Operations (Not Examined) | | |
| Agency Functions and Planning Program (Not Examined) | | 19 |
| Average Number of Employees (Not Examined) | | 21 |
| Service Efforts and Accomplishments (Not Examined) | | 22 |

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

AGENCY OFFICIALS

Executive Director

Randy Erford

Commission Members as of June 30, 2014:

Senator Tim Bivins

Representative Lou Lang

Senator James F. Clayborne Jr.

Representative Frank Mautino

Senator Kirk W. Dillard

Representative Darlene Senger

Senator Terry Link

Representative Jil Tracy

Agency office is located at:

420 Stratton Building
Springfield, IL 62706

Senator Tim Bivens
Senator James F. Clayborne, Jr.
Senator Terry Link
Senator Karen McConaughay



CHAIRMAN:
Representative Lou Lang
Representative Norine Hammond
Representative Chad Hays
Representative Frank Mautino

EXECUTIVE DIRECTOR:
Randy Erford

LEGISLATIVE ETHICS COMMISSION

420 Stratton Building, Springfield, IL 62706
Phone: (217) 558-1561
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STATE COMPLIANCE EXAMINATION
MANAGEMENT ASSERTION LETTER

September 22, 2015

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, IL 62703-3154

Dear Mr. Holland:

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 Illinois Legislative Ethics Commission (Commission). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following assertions during the two-year period ended June 30, 2014. Based on this evaluation, we assert that during the years ended June 30, 2013 and June 30, 2014, the Commission has materially complied with the assertions below.

- A. The Commission has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Commission has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Yours very truly,

A handwritten signature in dark ink, appearing to read "Randy Erford", written over a circular stamp or seal.

Mr. Randy Erford, Executive Director

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT'S REPORT

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

SUMMARY OF FINDINGS

| <u>Number of</u> | <u>Current</u> | <u>Prior</u> |
|--|----------------|--------------|
| Findings | 2 | 2 |
| Repeated findings | 2 | 2 |
| Prior recommendations implemented or not repeated | 0 | 0 |

SCHEDULE OF FINDINGS

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------------------|-------------|----------------------------------|--|
| FINDINGS (STATE COMPLIANCE) | | | |
| 2014-001 | 7 | Procedural deficiencies | Significant Deficiency and Noncompliance |
| 2014-002 | 9 | Inadequate segregation of duties | Significant Deficiency and Noncompliance |

EXIT CONFERENCE

The Legislative Ethics Commission waived an exit conference in correspondence dated March 12, 2015. Responses to the findings and recommendations were provided by Mr. Randy Erford, Executive Director, on March 12, 2015.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Legislative Ethics Commission's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2014. The management of the State of Illinois, Legislative Ethics Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Legislative Ethics Commission's compliance based on our examination.

- A. The State of Illinois, Legislative Ethics Commission has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Legislative Ethics Commission has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois, Legislative Ethics Commission has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Legislative Ethics Commission's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we

considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Legislative Ethics Commission's compliance with specified requirements.

In our opinion, the State of Illinois, Legislative Ethics Commission complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2014. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2014-001 and 2014-002.

Internal Control

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

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

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

compliance, as described in the accompanying schedule of findings as items 2014-001 and 2014-002, that we consider to be significant deficiencies.

There were no immaterial findings that have been excluded from this report.

The State of Illinois, Legislative Ethics Commission's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Legislative Ethics Commission's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2014 and June 30, 2013 in Schedules 1 through 6 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2014 and June 30, 2013 accompanying supplementary information in Schedules 1 through 6. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2012 accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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


BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

Springfield, Illinois

September 22, 2015

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2014

2014-001. **FINDING** (Procedural deficiencies)

During our testing of the Legislative Ethics Commission (Commission), we noted the following procedural deficiencies:

- The Commission submitted 2 of 2 (100%) Fiscal Control and Internal Auditing Act (FCIAA) certifications for Fiscal Years 2013 and 2014 to the Office of the Auditor General 28 and 8 days late, respectively. FCIAA (30 ILCS 10/3003) requires each chief executive officer of each State agency to conduct an evaluation of their systems of internal fiscal and administrative controls and file a certification regarding the evaluation with the Auditor General by May 1st of each year.
- The Commission did not timely submit 1 of 2 (50%) State property inventory certifications to the Department of Central Management Services (DCMS). The Commission filed the report 99 days late. The Illinois Administrative Code (44 Ill. Adm. Code 5010.460) requires agencies to certify completion of annual physical inventory of State equipment and submit a complete property listing to DCMS on dates designated by DCMS, which is December 1st.
- The Commission submitted 1 of 4 (25%) Travel Headquarters (TA-2) reports to the Legislative Audit Commission (LAC) 73 days late. The State Finance Act (30 ILCS 105/12-3) requires agencies to file semi-annual TA-2 reports with the LAC for all officers and employees where official headquarters are located other than where their official duties require them to spend the largest part of their working time by January 15th and July 15th each year.
- The Commission failed to perform and document 24 of 24 (100%) monthly reconciliations of its expenditures with the Office of the Comptroller's Monthly Appropriation Status Report (SB01). Statewide Accounting Management System (Procedure 11.40.20) requires agencies to reconcile appropriation expenditures monthly and notify the Comptroller of any irreconcilable differences.

Commission management stated that delays in filing reports were due to confusion regarding filing dates. Commission management also stated that periodic reconciliations are performed throughout the year, and that due to the limited number of expenditures, monthly reconciliations were not completed.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2014

Periodic evaluations of internal controls are necessary to determine whether existing measures are adequate to safeguard assets, ensure the accuracy and reliability of accounting data, and encourage adherence to legal requirements and prescribed management policy. Untimely reporting of property information reduces the reliability of Statewide property information. Untimely filing of TA-2 reports reduces effective government oversight and is noncompliance with a statutory mandate. Failure to perform and document monthly reconciliations in a timely manner could result in accounting errors not being detected.

During the prior examination, auditors noted the Commission failed to timely submit Quarterly Reports of State Property (C-15 reports) to the Office of the Comptroller, failed to timely submit Annual Real Property Utilization reports to DCMS, and failed to prepare and file a revised Agency Workforce report with the Office of the Governor. During the current examination, we noted no such deficiencies. (Finding Code No. 2014-001, 12-1, 10-1)

RECOMMENDATION

We recommend the Commission:

- Timely submit its Fiscal Control and Internal Auditing Act certification to the Office of the Auditor General;
- Timely submit the required property reports in accordance with the Illinois Administrative Code;
- Submit its TA-2 reports to the LAC timely; and
- Comply with SAMS and document performance of expenditure reconciliations monthly.

COMMISSION RESPONSE

Accepted. As noted, over the past several audit cycles, the agency has generally improved diligence with regard to filing external reports, but the Executive Director acknowledges confusion regarding the specificity of the filing date (i.e., May 1st) for the annual FCIAA certification to the Auditor General. The reports were filed each May, but not by May 1st. The late filings of one property report (acknowledging the agency has no property) and of one TA-2 report were inadvertent errors. While the agency does periodic reconciliation of its expenditures and had no deficiency in its accounting of expenditures during the audit cycle, the agency failed to comply with the monthly expenditure reconciliation set forth in SAMS. Moving forward, the agency will endeavor for full compliance with these exceptions.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2014

2014-002. **FINDING** (Inadequate segregation of duties)

The Legislative Ethics Commission (Commission) had an inadequate segregation of duties in the areas of expenditure control and State property. We noted the following:

- One person had authority to approve vouchers, maintain accounting records and perform monthly expenditure reconciliations.
- One person had authority to approve all property purchases, tag all inventory, maintain the property records and complete the quarterly reports of State property.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. In addition, good business practices require the Commission maintain adequate segregation of duties in order to help ensure the safeguarding of assets, prevent improper expenditures, and ensure the accuracy and reliability of accounting data.

Commission management acknowledges the lack of segregation of duties, but hiring additional staff does not seem to be a cost-effective solution, given the volume of work.

A lack of adequate segregation of duties increases the likelihood that a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 2014-002, 12-2, 10-2, 08-2)

RECOMMENDATION

We recommend the Commission maintain effective internal control over the record keeping and accounting duties concerned with expenditure and property control.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2014

COMMISSION RESPONSE

Accepted. As previously noted, segregation of duties is problematic in a single staff office, but management will continue to endeavor to enhance its procedural compliance with state filing requirements and the Commission will continue its enhanced financial oversight of agency operations, as a means to ensure accurate accounting and recordkeeping with reference to expenditure and property control.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending

- Analysis of Operations (Not Examined):

- Agency Functions and Planning Program (Not Examined)
- Average Number of Employees (Not Examined)
- Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2014 and June 30, 2013 accompanying supplementary information in Schedules 1 through 6. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
 LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations For Fiscal Year 2014

Fourteen Months Ended August 31, 2014

| Public Act 98-0064 | Expenditures | | Lapse Period | Total | Balances Lapsed |
|--|-------------------|-------------------|-----------------------------|-------------------|-------------------|
| | Appropriations | Through 6/30/2014 | Expenditures 7/01 - 8/31/14 | | |
| GENERAL REVENUE FUND - 001 | | | | | |
| Ordinary and Contingent Expenses of the Commission and the Office of the Legislative Inspector General | \$ 312,500 | \$ 118,663 | \$ 2,102 | \$ 120,765 | \$ 191,735 |
| Total Fiscal Year 2014 | <u>\$ 312,500</u> | <u>\$ 118,663</u> | <u>\$ 2,102</u> | <u>\$ 120,765</u> | <u>\$ 191,735</u> |

Note A: Appropriations, expenditures, and lapsed balances were obtained from the Legislative Ethics Commission's records (Commission) and have been reconciled to records of the State Comptroller. Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.

Note B: The Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. In both Fiscal Years 2013 and 2014, both entities were reported under the Legislative Ethics Commission's agency code. Therefore, both Fiscal Years 2013 and 2014 appropriation, expenditures, and lapsed balances are reported in the Compliance Attestation Engagement reports for both agencies.

STATE OF ILLINOIS
 LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations For Fiscal Year 2013

Fourteen Months Ended August 31, 2013

| Public Act 97-0726 | Expenditures | | Lapse Period | | Balances Lapsed |
|--|-------------------|------------------------------|-----------------------------|--------------------|-------------------|
| | Appropriations | Expenditures Through 6/30/13 | Expenditures 7/01 - 8/31/13 | Total Expenditures | |
| GENERAL REVENUE FUND - 001 | | | | | |
| Ordinary and Contingent Expenses of the Commission and the Office of the Legislative Inspector General | \$ 312,500 | \$ 102,519 | \$ 2,375 | \$ 104,894 | \$ 207,606 |
| Total Fiscal Year 2013 | <u>\$ 312,500</u> | <u>\$ 102,519</u> | <u>\$ 2,375</u> | <u>\$ 104,894</u> | <u>\$ 207,606</u> |

Note A: Appropriations, expenditures, and lapsed balances were obtained from the Legislative Ethics Commission's records (Commission) and have been reconciled to records of the State Comptroller. Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.

Note B: The Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. In both Fiscal Years 2013 and 2014, both entities were reported under the Legislative Ethics Commission's agency code. Therefore, both Fiscal Years 2013 and 2014 appropriation, expenditures, and lapsed balances are reported in the Compliance Attestation Engagement reports for both agencies.

STATE OF ILLINOIS
 LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30, 2014, 2013, and 2012

| | Fiscal Year | | |
|--|--------------------------|--------------------------|--------------------------|
| | 2014 | 2013 | 2012 |
| | <u>P.A. 98-0064</u> | <u>P.A. 97-0726</u> | <u>P.A. 97-0056</u> |
| GENERAL REVENUE FUND - 001 | | | |
| Appropriations | <u>\$ 312,500</u> | <u>\$ 312,500</u> | <u>\$ 312,500</u> |
| Expenditures | | | |
| Ordinary and Contingent Expenses of the Commission and the Office of the Legislative Inspector General | <u>\$ 120,765</u> | <u>\$ 104,894</u> | <u>\$ 112,604</u> |
| Lapsed Balances | <u><u>\$ 191,735</u></u> | <u><u>\$ 207,606</u></u> | <u><u>\$ 199,896</u></u> |

Note A: Expenditure and lapsed balances for Fiscal Year 2012 do not reflect interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

Note B: The Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. In both Fiscal Years 2013 and 2014, both entities were reported under the Legislative Ethics Commission's agency code. See the Analysis of Significant Variations in Expenditures to see a comparison of expenditures in total and by detailed object code.

STATE OF ILLINOIS
 LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Two Years Ended June 30, 2014

| | <u>Equipment</u> |
|--------------------------|------------------|
| Balance at July 1, 2012 | \$ 9,298 |
| Additions | - |
| Deletions | - |
| Net Transfers | <u>-</u> |
| Balance at June 30, 2013 | <u>\$ 9,298</u> |
| Balance at July 1, 2013 | \$ 9,298 |
| Additions | 319 |
| Deletions | - |
| Net Transfers | <u>-</u> |
| Balance at June 30, 2014 | <u>\$ 9,617</u> |

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller. The Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. All equipment is reported under the Legislative Ethics Commission.

STATE OF ILLINOIS
 LEGISLATIVE ETHICS COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
 For the Two Years Ended June 30, 2014

| <u>GENERAL REVENUE FUND – 001</u> | <u>2014</u> | | <u>2013</u> |
|---|-------------------|-----|------------------|
| Regular Positions | \$ 71,272 | (A) | \$ 58,534 |
| Contractual Payroll Employees | 37,217 | | 35,400 |
| State Contribution to Social Security | 5,989 | (A) | 4,988 |
| Contractual Services | 2,448 | (B) | 1,641 |
| Travel | 1,954 | (C) | 2,487 |
| Printing | 321 | | 40 |
| Commodities | 57 | | 223 |
| Equipment | 100 | | 0 |
| Telecommunications | <u>1,407</u> | | <u>1,581</u> |
| Total General Revenue Fund Expenditures | <u>\$ 120,765</u> | | <u>\$104,894</u> |

Explanations of significant variations in expenditures (fluctuations of 20% and \$500) for the two years ended June 30, 2014 are presented below:

- (A) The increase in regular positions expenditures and State Contribution to Social Security in Fiscal Year 2014 was due to an increase in the Inspector General's caseload and an increase in the number of related hours.
- (B) The increase in contractual services expenditures in Fiscal Year 2014 was due to a large investigation that required additional court reporting services.
- (C) The decrease in travel expenditures for Fiscal Year 2014 was due to more travel to Springfield in Fiscal Year 2013 compared to Fiscal Year 2014 for the Legislative Inspector General.

Note: The Legislative Ethics Commission shared an appropriation with the Office of the Legislative Inspector General during Fiscal Years 2013 and 2014. The above expenditures include both the Office of the Legislative Inspector General's expenditures and the Legislative Ethics Commission's expenditures.

STATE OF ILLINOIS
 LEGISLATIVE ETHICS COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
 For the Two Years Ended June 30, 2014

| <u>GENERAL REVENUE FUND – 001</u> | <u>2013</u> | | <u>2012</u> |
|---|-------------------|-----|------------------|
| Regular Positions | \$ 58,534 | | \$ 66,542 |
| Contractual Payroll Employees | 35,400 | | 35,400 |
| State Contribution to Social Security | 4,988 | | 5,600 |
| Contractual Services | 1,641 | (D) | 1,063 |
| Travel | 2,487 | | 2,187 |
| Printing | 40 | | 0 |
| Commodities | 223 | | 17 |
| Equipment | 0 | | 5 |
| Telecommunications | <u>1,581</u> | | <u>1,790</u> |
| Total General Revenue Fund Expenditures | <u>\$ 104,894</u> | | <u>\$112,604</u> |

Explanations of significant variations in expenditures (fluctuations of 20% and \$500) for the two years ended June 30, 2013 are presented below:

- (D) The increase in contractual services expenditures in Fiscal Year 2013 was due to an increase in the need for transcribing services and other court reporting services.

Note: The Legislative Ethics Commission shared an appropriation with the Office of the Legislative Inspector General during Fiscal Year 2012 and Fiscal Year 2013. The above expenditures include both the Office of the Legislative Inspector General's expenditures and the Legislative Ethics Commission's expenditures.

STATE OF ILLINOIS
 LEGISLATIVE ETHICS COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
 For the Two Years Ended June 30, 2014

| <u>GENERAL REVENUE FUND – 001</u> | <u>2014</u> | <u>2013</u> |
|--|-----------------|-----------------|
| Regular Positions | \$ 0 | \$ 0 |
| Contractual Payroll Employees | 1,571 | 1,475 |
| Employee Retirement Contributions Paid by Employer | 0 | 0 |
| State Contribution to State Employees' Retirement System | 0 | 0 |
| State Contribution to Social Security | 23 | 21 |
| Contractual Services | 143 | 257 |
| Travel | 251 | 364 |
| Printing | 0 | 0 |
| Commodities | 0 | 0 |
| Equipment | 0 | 0 |
| Electronic Data Processing | 0 | 0 |
| Telecommunications | <u>114</u> | <u>258</u> |
| Total General Revenue Fund Expenditures | <u>\$ 2,102</u> | <u>\$ 2,375</u> |

We noted no significant lapse period spending during the two years ended June 30, 2014.

Note: The Legislative Ethics Commission shared an appropriation with the Office of the Legislative Inspector General during Fiscal Years 2013 and 2014. The above lapse period expenditures include both the Office of the Legislative Inspector General's expenditures and the Legislative Ethics Commission's expenditures.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)
For the Two Fiscal Years Ended June 30, 2014

FUNCTIONS

The Legislative Ethics Commission (Commission) was created in December 2003 by the State Officials and Employees Ethics Act (Act) (5 ILCS 430/et seq.). The Commission consists of 8 commissioners appointed 2 each by the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives. The Executive Director of the Legislative Ethics Commission is appointed by the Commission and subject to approval of at least 3 of the 4 legislative leaders.

The jurisdiction of the Commission extends to members of the General Assembly and all state employees whose ultimate jurisdictional authority is a legislative leader, the Senate Operations Commission or the Joint Committee on Legislative Support Services.

The State Officials and Employees Ethics Act states the Legislative Ethics Commission shall have the following duties:

- To promulgate rules governing the performance of its duties and the exercise of its powers and governing the investigations of the Legislative Inspector General.
- To conduct administrative hearings and rule on matters brought before the Commission only upon the receipt of pleadings filed by the Legislative Inspector General and not upon its own prerogative.
- Any other allegations of misconduct received by the Commission from a person other than the Legislative Inspector General shall be referred to the Office of the Legislative Inspector General.
- To prepare and publish manuals and guides and, working with the Office of the Attorney General, oversee training of employees under its jurisdiction that explains their duties.
- To prepare public information materials to facilitate compliance, implementation, and enforcement of the Act.
- To submit reports as required by the Act.
- To the extent authorized by the Act, to make rulings, issue recommendations, and impose administrative fines, if appropriate, in connection with the implementation and interpretation of the Act. The powers and duties of the Commission are limited to matters clearly within the purview of the Act.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
AGENCY FUNCTIONS AND PLANNING PROGRAM (NOT EXAMINED)
For the Two Fiscal Years Ended June 30, 2014

- To issue subpoenas with respect to matters pending before the Commission to compel the attendance of witnesses for purposes of testimony and the production of documents and other items for inspection and copying.

- To appoint special Legislative Inspectors General.

PLANNING PROGRAM

The Commission is an investigative body with its powers and duties detailed in the State Officials and Employees Ethics Act. As a result, the Commission does not have formal written goals and objectives, but instead operates to fulfill the statutory responsibilities in a timely and efficient manner.

The Commission's Operating Rules and the Commission's Personnel Manual help implement and communicate the responsibilities set forth in the State Officials and Employees Ethics Act.

STATE OF ILLINOIS
 LEGISLATIVE INSPECTOR GENERAL – LEGISLATIVE ETHICS COMMISSION
AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)
 For the Two Years Ended June 30, 2014

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Years ended June 30, 2014.

| Division | 2014 | 2013 | 2012 |
|-------------------------|------|------|------|
| Inspector General * | 1 | 1 | 1 |
| Executive Director ** | 1 | 1 | 1 |
| | | | |
| Total average employees | 2 | 2 | 2 |
| | | | |

* The Inspector General is a part-time employee.

** The Executive Director of the Legislative Ethics Commission is a contractual payroll employee and is part-time.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2014

The Legislative Ethics Commission (Commission) maintained a website for State employees and the general public. This website outlines information about the Commission, including its history, legislative authority, and purpose. In addition, the website provides contact information for the Commission.

Pursuant to the State Officials and Employees Ethics Act (5 ILCS 430 *et seq.*), the Commission receives quarterly reports summarizing investigation activity from the Office of the Legislative Inspector General. Listed below is a compilation of allegation and investigation information reported to the Commission for Fiscal Years 2013 and 2014.

| | <u>Fiscal Year 2013</u> | <u>Fiscal Year 2014</u> |
|-------------------------------------|-------------------------|-------------------------|
| Number of allegations received | 14 | 13 |
| Number of investigations initiated | 14 | 13 |
| Number of investigations concluded | 20 | 22 |
| Number of total open investigations | 9 | 0 |