



STATE OF ILLINOIS  
**OFFICE OF THE  
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**LEGISLATIVE ETHICS COMMISSION**

Compliance Examination  
 For the Two Years Ended June 30, 2018

Release Date: January 29, 2019

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	2010		<b>18-01</b>	
<b>Category 2:</b>	<b>0</b>	<b>2</b>	<b>2</b>	2008		<b>18-02</b>	
<b>Category 3:</b>	<u>0</u>	<u>0</u>	<u>0</u>				
<b>TOTAL</b>	<b>0</b>	<b>2</b>	<b>2</b>				
<b>FINDINGS LAST AUDIT: 2</b>							

**SYNOPSIS**

- (18-01) The Commission did not comply with certain procedural requirements established by State laws and regulations.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**LEGISLATIVE ETHICS COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018**

EXPENDITURE STATISTICS	2018	2017	2016
<b>Total Expenditures*</b> .....	\$ 131,249	\$ 40,677	\$ 40,323
OPERATIONS TOTAL.....	\$ 131,249	\$ 40,677	\$ 40,323
% of Total Expenditures.....	100.0%	100.0%	100.0%
Personal Services.....	37,736	37,736	37,736
Other Payroll Costs (FICA, Retirement).....	544	544	544
All Other Operating Expenditures.....	92,969	2,397	2,043
<b>Total Receipts</b> .....	\$ 0	\$ 0	\$ 0
<b>Average Number of Employees</b> .....	2	1	1

\*Note: The Office of the Legislative Inspector General and the Legislative Ethics Commission share an appropriation and expenditure data. In Fiscal Year 2016, Fiscal Year 2017, and Fiscal Year 2018, both entities were reported under the Legislative Ethics Commission's agency code.

SELECTED ACTIVITY MEASURES (Not Examined)	2018	2017	2016
Allegations Received.....	55	**	**
Investigations Initiated.....	42	**	**
Investigations Concluded.....	30	**	**
Open Investigations at June 30.....	17	**	**

\*\*Note: The Legislative Inspector General position was vacant from January 1, 2015 through November 3, 2017. Due to the vacancy, no quarterly reports summarizing investigation activity were submitted to the Commission covering January 1, 2015 through November 3, 2017. Therefore, no data is available for this time period.

COMMISSION DIRECTOR
During Examination Period: Mr. Randy Erford
Currently: Mr. Randy Erford

## FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### PROCEDURAL DEFICIENCIES

The Legislative Ethics Commission (Commission) did not comply with certain procedural requirements established by State laws and regulations.

During testing, we noted the following:

**Signed payroll authorizations not located**

- The Commission was unable to provide signed authorizations for employee payroll deductions, including the *Federal/Illinois W-4 Employee's Withholding Allowance Certificate*.

**Untimely workforce report**

- The Commission did not timely submit its *Agency Workforce Report* for Fiscal Year 2016 to the Governor and Secretary of State. The Fiscal Year 2016 *Agency Workforce Report* was submitted to the Governor on January 19, 2017, and the Secretary of State on January 17, 2017, which was 18 days and 16 days late, respectively.

**Inventory certification not prepared**

- The Commission did not submit its annual equipment inventory certification to the Department of Central Management Services in Fiscal Year 2016 and filed its Fiscal Year 2017 certification 14 days late. (Finding 1, pages 7-8). **This finding has been repeated since 2010.**

**Inventory certification late**

We recommended the Commission ensure signed authorization forms for employee payroll deductions are maintained for all personnel, timely file its annual *Agency Workforce Report* with the Governor and the Secretary of State, and timely submit property inventory certifications to CMS.

**Commission accepted recommendation**

The Commission accepted our recommendation and indicated corrective action has been or will be taken to address the conditions noted. (*For the previous Commission response, see Digest Footnote #1.*)

### OTHER FINDING

The remaining finding pertains to an inadequate segregation of duties in the areas of expenditure control and State property. We will review the Commission's progress towards the implementation of our recommendations in our next compliance examination.

## ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the Commission for the two years ended June 30, 2018, as required by the Illinois State Auditing Act. The accountants stated the Commission complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by the Office of the Auditor General's staff.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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### DIGEST FOOTNOTES

#### **#1 – Procedural Deficiencies – Previous Commission Response**

2016: Accepted. The agency's omission of the FCIAA filing in FY2016 was an oversight, although it should be noted that the report would be unchanged from the prior year. For this reason, the agency has requested that the annual FCIAA filing for the LEC be simplified into a letter that specifies if there are any changes – or none – from the prior year.

Over the past several years there have been technical issues surrounding the certification date requested for the agency's annual property inventory certifications. The agency has documented the eight quarterly inventory certifications provided to the Office of the Comptroller during this time period that there have been no changes to the office inventory during the past 24 months. Agency management will contact property management staff to determine if the annual inventory certification process can be clarified and remedied to ensure compliance during the next audit cycle.

Regarding the monthly reconciliations of expenditures with the Comptroller's SB01 Report, after discussion with OAG staff, agency management better understands and concurs with the purpose, if not the frequency, of monthly reconciliations with Comptroller's records and will perform such monthly reconciliations in a standardized format going forward.