

**STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION**

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2020

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2020

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STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2020

COMMISSION OFFICIALS

Acting Executive Director (5/1/19 – Present)	Ms. Laurie Eby
Executive Director (7/1/18 – 4/30/19)	Mr. Randy Erford

COMMISSION OFFICERS

Chairperson (7/1/20 – Present)	Sen. Jil Tracy
Chairperson (7/1/18 – 6/30/20)	Rep. Avery Bourne

COMMISSION MEMBERS

Senate President Appointees

Member (9/8/20 – Present)	Mr. Pat McGuire
Member (8/14/20 – 9/7/20)	Vacant
Member (7/1/18 – 8/13/20)	Sen. Terry Link
Member (7/1/18 – Present)	Sen. Cristina Castro

Senate Minority Leader Appointees

Member (1/3/19 – Present)	Sen. Brian Stewart
Member (7/1/18 – 1/3/19)	Sen. Michael Connelly
Member (9/4/18 – Present)	Sen. Jil Tracy
Member (7/1/18 – 9/4/18)	Sen. Karen McConaughay

Speaker of the House of Representatives Appointees

Member (2/16/21 – Present)	Rep. Kelly Burke
Member (2/11/21 – 2/15/21)	Vacant
Member (1/23/19 – 2/10/21)	Rep. Kathleen Willis
Member (7/1/18 – 1/23/19)	Rep. Arthur Turner, II
Member (2/16/21 – Present)	Rep. Maurice West, II
Member (2/11/21 – 2/15/21)	Vacant
Member (1/23/19 – 2/10/21)	Rep. Natalie Manley
Member (1/9/19 – 1/22/19)	Vacant
Member (7/1/18 – 1/8/19)	Rep. Barbara Flynn Currie

Minority Leader of the House of Representatives Appointees

Member (7/1/18 – Present)

Rep. Avery Bourne

Member (7/1/21 – Present)

Rep. Michael Marron

Member (7/1/18 – 6/30/21)

Rep. Norine Hammond

COMMISSION OFFICE

The Commission's administrative office is located at:

William G. Stratton Building
401 S. Spring Street, Room 420
Springfield, Illinois 62706

Members
Sen. Cristina Castro
Mr. Pat McGuire
Sen. Brian Stewart

Rep. Avery Bourne
Rep. Kelly Burke
Rep. Maurice West, II



Chairperson
Sen. Jil Tracy

**Acting
Executive Director**
Laurie Eby

LEGISLATIVE ETHICS COMMISSION

420 Stratton Office Building, Springfield, IL 62706
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MANAGEMENT ASSERTION LETTER

September 7, 2021

Honorable Frank J. Mautino
Auditor General
State of Illinois
740 East Ash Street
Springfield, Illinois 62703-3154

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Legislative 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 specified requirements during the two-year period ended June 30, 2020. Based on this evaluation, we assert that during the years ended June 30, 2019, and June 30, 2020, the Commission has materially complied with the specified requirements listed below.

- A. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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 truly,

State of Illinois, Legislative Ethics Commission

SIGNED ORIGINAL ON FILE

Laurie Eby, Acting Executive Director

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
 STATE COMPLIANCE EXAMINATION
 For the Two Years Ended June 30, 2020

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and 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	Report	Report
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>Last/First</u> <u>Report</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2020-001	10	2018/2010	Procedural Deficiencies	Significant Deficiency and Noncompliance
2020-002	13	2018/2008	Inadequate Segregation of Duties	Significant Deficiency and Noncompliance

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
STATE COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2020

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Office personnel at an exit conference on September 3, 2021.

Attending were:

Legislative Ethics Commission

Laurie Eby, Acting Executive Director

Office of the Legislative Inspector General

Carol Pope, Legislative Inspector General

Corrine Davis-Corr, Paralegal

Office of the Auditor General

Stephanie Wildhaber, Audit Manager

Miranda Karger, IS Audit Manager

Christian Cortes, Audit Supervisor

The responses to the recommendations were provided by Laurie Eby, Acting Executive Director, in a correspondence dated September 7, 2021.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Governing Board
State of Illinois, Legislative Ethics Commission

Compliance

We have examined compliance by the State of Illinois, Legislative Ethics Commission (Commission) 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, 2020. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation

engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission 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 opinion.

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

In our opinion, the Commission complied with the specified requirements during the two years ended June 30, 2020, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2020-001 and 2020-002.

The Commission's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Commission'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.

Internal Control Over Compliance

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

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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2020-001 and 2020-002 that we consider to be significant deficiencies.

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

The Commission's response to the internal control finding identified in our examination is described in the accompanying Schedule of Findings. The Commission's response was not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the response.

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.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on the Commission's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2020, and June 30, 2019, in Schedules 1 through 5 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Commission management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2020, and June 30, 2019, in Schedules 1 through 5. We have not applied procedures to the accompanying supplementary information for the years ended June 30, 2018, in Schedules 3 through 5 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 5 or the Analysis of Operations Section.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
September 7, 2021

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2020

2020-001. **FINDING** (Procedural Deficiencies)

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

While we noted some improvements from the Commission’s last examination as our testing indicated the Commission retained signed authorizations for employee payroll deductions, timely submitted its *Agency Fee Imposition Reports*, and submitted their annual equipment inventory certification to the Department of Central Management Services, we continued to note the following procedural deficiencies:

- The Commission did not publish on their website the harassment and discrimination prevention training activity reports received from applicable agencies.

The State Officials and Employees Ethics Act (5 ILCS 430/5-10.5(b)) states each ultimate jurisdiction authority shall submit to the applicable Ethics Commission, at least annually, or more frequently as required by that Commission, a report that summarizes the harassment and discrimination prevention training program that was completed during the previous year and lays out the plan for the training program in the coming year. The report is required to include the names of individuals that failed to complete the required training program. The Commission is required to make the reports available on its website.

- The Commission did not retain a U.S. Citizenship and Immigration Services (USCIS) I-9 Employment Eligibility Verification Form (Form I-9) on file for one of three (33%) employees tested.

The Immigration Reform and Control Act of 1986 (8 U.S. Code § 1324a) requires an entity hiring an individual for employment in the United States to attest, under penalty of perjury and on a form designated or established by the Attorney General by regulation, that it has verified the individual is not an unauthorized alien. Such attestation is required to be made by completing Form I-9. USCIS instructions for Form I-9 requires Section 1 to be completed no later than the first day of employment. The employer is also required to retain each employee’s completed I-9 form for as long as the individual remains employed for the employer and for a specified period after employment has ended. Once the individual’s employment ends, the employer must retain the I-9 form and attachments for either three years after the date of hire or one year after the date employment ended; whichever is later.

- The Commission did not file copies of their quarterly reports with the State Government Report Distribution Center at the State Library. We could not locate evidence to substantiate 8 of 8 (100%) quarterly reports required to be

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2020

2020-001. **FINDING** (Procedural Deficiencies) – Continued

filed during the examination period were filed with the State Government Report Distribution Center.

The State Officials and Employees Ethics Act (5 ILCS 430/25-100(b)) requires the Commission to issue a quarterly report to the General Assembly within 30 days after the end of each quarter. The General Assembly Organization Act (25 ILCS 5/3.1) states whenever any law or resolution requires a report to the General Assembly, the Commission is then required to file a copy with the State Government Report Distribution Center for the General Assembly.

- The Commission did not inform the Government Documents Section of the State Library in writing of its person(s) responsible for the distribution of documents annually by January 15 in Fiscal Year 2019, and July 15 in Fiscal Year 2020, and within two weeks after any changes to the annual filing.

The Illinois Administrative Code (23 Ill. Admin. Code 3020.150) requires the Commission, by January 15 of each year, and two weeks after any changes, to inform the Government Documents Section in writing of the person, persons, or positions responsible for distribution of publications of that Commission. The requirement was changed to July 15 effective January 7, 2020.

During the prior examination, Commission management indicated the conditions noted were due to employee error and oversight. During the current examination, Commission management indicated the issues noted were due to employee error and oversight.

Failure to publish received reports on the Commission’s website represents noncompliance with State law. Failure to retain Form I-9 represents noncompliance with the U.S. Code. In addition, failure to provide copies of its reports to the State Government Report Distribution Center at the State Library represents noncompliance with the General Assembly Organization Act and the State Library Act. Further, failure to inform the Government Documents Section in writing of its person(s) responsible for the distribution of documents represents noncompliance with the Illinois Administrative Code. (Finding Code No. 2020-001, 2018-001, 2016-001, 2014-001, 12-1, 10-1)

RECOMMENDATION

We recommend the Commission:

- publish the reports of harassment and discrimination prevention training activities received on its website;

**STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2020**

2020-001. **FINDING** (Procedural Deficiencies) – Continued

- ensure a Form I-9 is retained for each employee;
- file copies of their quarterly reports with the State Government Report Distribution Center at the State Library; and,
- inform the Government Documents Section of the State Library in writing of its person(s) responsible for the distribution of documents annually by July 15 and within two weeks after any changes to the annual filing.

COMMISSION RESPONSE

The Commission agrees and will make a reasonable effort to employ processes to ensure these recommendations are implemented. The Commission has already begun the process to publish the harassment and discrimination prevention training activities reports on its website.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2020

2020-002. **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.

During testing, we noted an inadequate segregation of duties for both the Commission’s expenditure and property related transactions. We noted one individual performed all parts of the transaction cycle, including:

- **Authorization** by reviewing and approving transactions;
- **Custody** by tagging all equipment purchases;
- **Recordkeeping** by preparing entries and maintaining the Commission’s internal expenditure records and property records;
- **Reconciliation** by preparing reconciliations of the Commission’s records to the Comptroller’s records; and,
- **Reporting** by completing required quarterly reports over the State property maintained by the Commission.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission 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. In addition, good business practices require the Commission to maintain an 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 acknowledged the lack of segregation of duties, as they did in the prior examination, but noted 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. 2020-002, 2018-002, 2016-002, 2014-002, 12-2, 10-2, 08-2)

RECOMMENDATION

We recommend the Commission seek additional involvement from Commission members to achieve an adequate segregation of duties and improve its internal control structure.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2020

2020-002. **FINDING** (Inadequate Segregation of Duties) – Continued

COMMISSION RESPONSE

The Commission partially agrees. The Fiscal Control and Internal Auditing Act requires the Commission to establish and maintain a system of internal fiscal and administrative controls to provide that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. The Commission acknowledges it is also good business practices to maintain an adequate segregation of duties in order to safeguard against the same aforementioned occurrences. The Legislative Ethics Commission is a unique agency in that the obligations it has to meet and the duties it has to carry out only require a single part-time employee. At this time, expending funds to add additional personnel for the sole purpose of segregating duties would not be fiscally responsible due to the minimal amount of work that would be required. As an alternative, the Commission has implemented compensating internal controls whereas the Executive Director requests permission from Commission members for any irregular purchases and also provides the Commission with detailed balance reports reflecting all spending for the Commission. This practice provides a system of checks and balances as well as makes the Commission’s expenditures fully transparent and available to all Commission members. Additionally, it should be noted that at the time of this report the Legislative Ethics Commission has zero state property or equipment that meets the reporting threshold. Should such a purchase be necessary, the abovementioned procedures regarding the purchase would be followed and the tagging of the equipment would be reported to the Commission members and would be documented accordingly. The Commission will explore additional solutions to continue to ensure the administrative and fiscal integrity of the office’s operations.

SCHEDULE 1

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2020

For the Fifteen Months Ended September 30, 2020

	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Act 101-0007					
FISCAL YEAR 2020					
APPROPRIATED FUNDS					
<u>GENERAL REVENUE FUND - 0001</u>					
Ordinary and Contingent Expenses of the Legislative Ethics Commission and the Office of the Legislative Inspector General	\$ 312,500	\$ 187,348	\$ 2,869	\$ 190,217	\$ 122,283
Subtotal, Fund 0001	<u>\$ 312,500</u>	<u>\$ 187,348</u>	<u>\$ 2,869</u>	<u>\$ 190,217</u>	<u>\$ 122,283</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 312,500</u>	<u>\$ 187,348</u>	<u>\$ 2,869</u>	<u>\$ 190,217</u>	<u>\$ 122,283</u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Commission's records and have been reconciled to the Office of Comptroller's records as of September 30, 2020.

Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the Office of Comptroller for payment to the vendor.

Note 3: The Office of the Legislative Inspector General and the Legislative Ethics Commission each share an appropriation and expenditure data. In Fiscal Year 2020, both entities were reported under the Commission's agency code. Therefore, the Fiscal Year 2020 appropriation, expenditures, and lapsed balances are reported in the compliance reports for both agencies.

SCHEDULE 2

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES

Appropriations for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

Public Act 100-0586 FISCAL YEAR 2019	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31	Balances Lapsed
		Expenditures Through June 30	Expenditures July 1 to October 31		
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 0001					
Ordinary and Contingent Expenses of the Legislative Ethics Commission and the Office of the Legislative Inspector General	\$ 312,500	\$ 223,285	\$ 14,942	\$ 238,227	\$ 74,273
Subtotal, Fund 0001	<u>\$ 312,500</u>	<u>\$ 223,285</u>	<u>\$ 14,942</u>	<u>\$ 238,227</u>	<u>\$ 74,273</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 312,500</u>	<u>\$ 223,285</u>	<u>\$ 14,942</u>	<u>\$ 238,227</u>	<u>\$ 74,273</u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Commission's records and have been reconciled to the Office of Comptroller's records as of October 31, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the Office of Comptroller for payment to the vendor.

Note 3: The Office of the Legislative Inspector General and the Legislative Ethics Commission each share an appropriation and expenditure data. In Fiscal Year 2019, both entities were reported under the Commission's agency code. Therefore, the Fiscal Year 2019 appropriation, expenditures, and lapsed balances are reported in the compliance reports for both agencies.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
 For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>FISCAL YEAR 2019</u>	<u>2018</u>
<u>APPROPRIATED FUNDS</u>			
General Revenue Fund - 0001			
Appropriations (Net of Transfers)	\$ 312,500	\$ 312,500	\$ 312,500
Expenditures:			
Ordinary and Contingent Expenses of the Legislative Ethics Commission and the Office of the Legislative Inspector General	\$ 190,217	\$ 238,227	\$ 131,249
Total Expenditures	\$ 190,217	\$ 238,227	\$ 131,249
Balances Lapsed	<u>\$ 122,283</u>	<u>\$ 74,273</u>	<u>\$ 181,251</u>

- Note 1: Appropriations, expenditures, and lapsed balances were obtained from Commission's records and have been reconciled to the Office of Comptroller's records as of September 30, 2020, and October 31, 2019.
- Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the Office of Comptroller for payment to the vendor.
- Note 3: The Office of the Legislative Inspector General and the Legislative Ethics Commission each share an appropriation and expenditure data. As such, for Fiscal Years 2018, 2019, and 2020, both entities were reported under the Commission's agency code. Therefore, appropriation, expenditures, and lapsed balances are reported in the compliance reports for both agencies.
- Note 4: The Office of the Legislative Inspector General and the Legislative Ethics Commission received appropriations during Fiscal Year 2020 from Public Act 101-0007. In addition, the Legislative Inspector General and Legislative Ethics Commission received appropriations during Fiscal Year 2019 from Public Act 100-0586.

STATE OF ILLINOIS
 OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
 COMPARATIVE SCHEDULE OF NET EXPENDITURES
 BY MAJOR ACTIVITY

For the Fiscal Year Ended June 30,

	2020	2019	2018
EXPENDITURE STATISTICS			
All State Treasury Funds			
Total Operations Expenditures:	\$ 190,217	\$ 238,227	\$ 131,249
Percentage of Total Expenditures:	100.0%	100.0%	100.0%
Personal Services	170,361	107,437	37,736
Other Payroll Costs	10,991	5,243	544
All Other Operating Expenditures	8,865	125,547	92,969
GRAND TOTAL - ALL EXPENDITURES:	\$ 190,217	\$ 238,227	\$ 131,249

Note 1: Expenditures were obtained from the Commission's records and have been reconciled to the Office of Comptroller's records as of September 30, 2020, and October 31, 2019.

Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the Office of Comptroller for payment to the vendor.

SCHEDULE 5

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL - LEGISLATIVE ETHICS COMMISSION
SCHEDULE OF CHANGES IN PROPERTY
 For the Two Years Ended June 30, 2020

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
FISCAL YEAR 2020					
Property					
Equipment	\$ 17,057	-	\$ 3,972	-	\$ 13,085
Total	<u>\$ 17,057</u>	<u>-</u>	<u>\$ 3,972</u>	<u>-</u>	<u>\$ 13,085</u>

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
FISCAL YEAR 2019					
Property					
Equipment	\$ 9,509	\$ 11,769	\$ 429	\$ (3,792)	\$ 17,057
Total	<u>\$ 9,509</u>	<u>\$ 11,769</u>	<u>\$ 429</u>	<u>\$ (3,792)</u>	<u>\$ 17,057</u>

Note 1: These balances were obtained from the Commission's records and have been reconciled to the Commission's quarterly Agency Report of State Property reports submitted to the Office of Comptroller for the years ended June 30, 2020, and June 30, 2019, respectively.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

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 eight commissioners with the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House of Representatives each appointing two members. The Executive Director of the Legislative Ethics Commission is appointed by the Commission, subject to approval of at least three of the four legislative leaders.

The jurisdiction of the Commission extends to current and former members of the General Assembly regarding events occurring during a member's term of office and current and former State employees regarding events occurring during any period of employment where the State employee's ultimate jurisdictional authority is a legislative leader, the Senate Operations Commission, or the Joint Committee on Legislative Support Services.

The Act states the 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;
- 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 this Act;
- To submit reports as required by this 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 this Act;
- To issue subpoenas with respect to matters pending before the Commission;
- To appoint special Legislative Inspectors General as provided in Section 25-21;
- To conspicuously display on the Commission's website the procedures for reporting a violation of this Act, including how to report violations via email or online;
- To conspicuously display on the Commission's website any vacancies within the Office of the Legislative Inspector General; and,
- To appoint an Acting Legislative Inspector General in the event of a vacancy in the Office of the Legislative Inspector General.

STATE OF ILLINOIS
LEGISLATIVE ETHICS COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

PLANNING PROGRAM

The Commission's main function is to convene monthly, or as often as necessary, to rule on matters brought before the Commission by the Legislative Inspector General. The Commission's powers and duties are detailed in the Act. Therefore, the Commission does not have formal written goals and objectives, but instead operates to fulfill its statutory responsibilities in a timely and efficient manner. The Commission's *Operating Rules* and *Personnel Policies* supplement the statutory responsibilities set forth in the Act.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL –
LEGISLATIVE ETHICS COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Fiscal Year 2020 Compared to Fiscal Year 2019

General Revenue Fund – 0001

Ordinary and Contingent Expenses of the Legislative Ethics Commission and the Office of the Legislative Inspector General

The variance in expenditures between Fiscal Years 2019 and 2020 can be attributed to several factors. The first is because the LEC Executive Director departed in April 2019, his salary was only included in expenses for ten months of Fiscal Year 2019 and was not an expense at all in Fiscal Year 2020. Secondly, it should be noted the Acting LIG and one staff member that served through February 2019 (the first 8 months of Fiscal Year 2019) were paid via a contract for services. They were not on the contractual payroll meaning the expenses are in the contractual services line rather than the personal services line. When the new LIG and her two staff members started late in Fiscal Year 2019, they were placed on the payroll as contractual employees and thus paid from the corresponding personal services line. In summary, the personal services costs for the Acting LIG and one staff member for Fiscal Year 2019 is reflected in the All Other Operating Expenses line in the Schedule 4 chart, whereas the LIG and two staff members for the latter part of Fiscal Year 2019 and all of Fiscal Year 2020 are shown in the Personal Services line. Finally, the new permanent Legislative Inspector General had Fiscal Year 2019 equipment expenses for computers, monitors, docking stations, printers, toner, and office furniture. These expenses were for the setup of the new permanent LIG office and consisted of mainly one-time expenses that were not necessary in Fiscal Year 2020.

Fiscal Year 2019 Compared to Fiscal Year 2018

General Revenue Fund – 0001

Ordinary and Contingent Expenses of the Legislative Ethics Commission and the Office of the Legislative Inspector General

The variance in expenditures between Fiscal Years 2018 and 2019 is due to an appointed Special Legislative Inspector General (SLIG) being made in November 2017 (Fiscal Year 2018) to serve through June 2018. The SLIG and a staff member were on contract during this time. There were no expenses for a Legislative Inspector General during the first five months of Fiscal Year 2018. In Fiscal Year 2019, there was a full year of expenses for the Acting Legislative Inspector General and one staff member that served through February 2019 and for the permanently appointed Legislative Inspector General and two staff members that began in March 2019. For both fiscal years, 2018 and 2019, amounts paid for the LIGs and their staff members varied depending on hours worked, which in turn was dependent on the caseload requirements at the time. Additionally, Fiscal Year 2018 included a full year of salary for the LEC Executive Director whereas Fiscal Year 2019 only included ten months of this salary.

STATE OF ILLINOIS
OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL –
LEGISLATIVE ETHICS COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2020

(NOT EXAMINED)

Fiscal Year 2020

General Revenue Fund – 0001

Ordinary and Contingent Expenses of the Legislative Ethics Commission and the Office of the Legislative Inspector General

The Legislative Ethics Commission and the Office of the Legislative Inspector General did not have any significant Lapse Period spending.

Fiscal Year 2019

General Revenue Fund – 0001

Ordinary and Contingent Expenses of the Legislative Ethics Commission and the Office of the Legislative Inspector General

The Legislative Ethics Commission and the Office of the Legislative Inspector General did not have any significant Lapse Period spending.

STATE OF ILLINOIS
**OFFICE OF THE LEGISLATIVE INSPECTOR GENERAL –
 LEGISLATIVE ETHICS COMMISSION
 NUMBER OF EMPLOYEES**

(NOT EXAMINED)

For the Fiscal Year Ended June 30,

<u>Positions</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Special Legislative Inspector General (11/17-06/18)	0	0	2
Acting Legislative Inspector General (07/18-02/19)	0	2*	0
Legislative Inspector General (03/19-06/20)	3	3	0
LEC Executive Director	1	1	1
Total Average Employees	4	4	3

- Note 1: All positions shown above are part-time positions. There are no full-time positions within the Legislative Ethics Commission or the Office of the Legislative Inspector General.
- Note 2: A Special Legislative Inspector General served a term beginning November 4, 2017 and ending June 30, 2018. An Acting Legislative Inspector General served a term beginning July 1, 2018 and ending February 28, 2019. A permanent Legislative Inspector General was appointed for a term beginning March 1, 2019 and ending June 30, 2023.
- Note 3: The Special and Acting Legislative Inspector General was a part-time employee that was paid an hourly rate for actual hours worked. The Special/Acting Legislative Inspector General had a part-time investigator that was paid an hourly rate for actual hours worked. The permanent Legislative Inspector General and staff members are all part-time contractual payroll employees that are paid an hourly rate for actual hours worked.
- Note 4: The Total Average Part-Time Employees total for 2019 is 4 instead of 5 because the Acting LIG and permanent LIG did not serve concurrently.
- Note 5: The three employees shown for the Legislative Inspector General for 2019 and 2020 include the Legislative Inspector General, an Investigator, and a Paralegal.
- Note 6: The Executive Director of the Legislative Ethics Commission is a part-time position.
- Note 7: The Legislative Ethics Commission and the Office of the Legislative Inspector General shared an appropriation utilizing the Commission’s agency code (120) during Fiscal Years 2018, 2019, and 2020. This analysis includes both agencies.
- Note 8: (*) The LIG did not have any regular or contractual ‘payroll’ employees during the first two quarters of Fiscal Year 2019. The Acting Legislative Inspector General and investigator during the first two quarters were paid via a Professional Services Contract during these quarters.