



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**LEGISLATIVE REFERENCE BUREAU**

State Compliance Examination  
 For the Two Years Ended June 30, 2021

Release Date: February 9, 2022

FINDINGS THIS AUDIT: 4				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	2	2	2019	21-1, 21-2	21-4	
Category 2:	1	1	2				
Category 3:	0	0	0				
<b>TOTAL</b>	<b>1</b>	<b>3</b>	<b>4</b>				
FINDINGS LAST AUDIT: 4							

**SYNOPSIS**

- **(21-01)** The Legislative Reference Bureau (Bureau) did not maintain adequate internal controls over receipts.
- **(21-02)** The Bureau did not have adequate controls over the monthly reconciliations of appropriations, cash receipts, contracts, expenditures, and obligation activity.

**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.

**LEGISLATIVE REFERENCE BUREAU  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2021**

<b>EXPENDITURE STATISTICS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Total Expenditures.....</b>	<b>\$ 2,657,219</b>	<b>\$ 2,557,816</b>	<b>\$ 2,529,226</b>
OPERATIONS TOTAL.....	\$ 2,657,219	\$ 2,557,816	\$ 2,529,226
% of Total Expenditures.....	100.0%	100.0%	100.0%
Personal Services.....	2,114,962	1,901,971	1,936,147
Other Payroll Costs (FICA, Retirement).....	220,842	197,917	196,262
All Other Operating Expenditures.....	321,415	457,928	396,817
<b>Total Receipts.....</b>	<b>\$ 110</b>	<b>\$ 275</b>	<b>\$ -</b>
<b>Average Number of Employees.....</b>	<b>33</b>	<b>32</b>	<b>30</b>

<b>AGENCY DIRECTOR</b>
During Examination Period: James W. Dodge
Currently: James W. Dodge

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER RECEIPT  
PROCESSING**

The Legislative Reference Bureau (Bureau) did not maintain adequate internal controls over receipts.

**Failure to keep detailed records of  
receipts**

During testing, we noted the Bureau did not maintain a detailed itemized account of all moneys received during Fiscal Years 2020 and 2021 showing the receipt date, the payer, purpose, and amount; therefore, the Bureau was unable to provide adequate records substantiating the population of receipts collected during the examination period. Due to these conditions, we were unable to conclude whether the Bureau's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Bureau's compliance relative to receipts. In addition, due to these limitations, we were unable to conclude the Bureau's *Comparative Schedule of Cash Receipts and Deposits into the State Treasury* on page 26 was complete and appropriately reported.

Even given the population limitations noted above, which hindered the ability of the accountants to conclude whether selected samples were representative of the population as a whole, we performed the following test:

**Receipts were not timely deposited**

During testing of receipts, we noted 3 of 4 (75%) receipts tested, totaling \$165, were deposited between 29 and 69 days late. (Finding 1, pages 9-10)

We recommended the Bureau develop and maintain internal control over its receipts to ensure the timely collection and depositing of revenues, along with ensuring adequate documentation is maintained and readily available for all transactions. In addition, we recommended the Bureau establish adequate records capable of providing detailed transactions and balance listing, which are timely reconciled to the Office of the Comptroller's records.

**Bureau accepted the finding**

Bureau officials accepted the finding and noted they have adopted processes to clarify the responsibilities related to deposits to ensure future compliance.

**INADEQUATE CONTROLS OVER MONTHLY  
RECONCILIATIONS**

The Bureau did not have adequate controls over the monthly reconciliations of appropriations, cash receipts, contracts, expenditures, and obligation activity.

During testing of Fiscal Year 2020 and 2021 reconciliations between the Office of Comptroller (Comptroller) records and the Bureau's records, we noted the following:

**Reconciliations were not performed or documentation was not kept regarding when they were performed**

- All Fiscal Year 2020 and 2021 reconciliations of Monthly Appropriation Status Report (SB01), Monthly Agency Contract Report (SC14), and Monthly Obligation Activity Report (SC15) did not contain sufficient documentation to determine if the reconciliations were adequately prepared by the Bureau. We noted two Fiscal Year 2021 vouchers, totaling \$25,333, recorded on the Bureau's records twice which were not noted as unpaid reconciling items on the Bureau's Fiscal Year 2021 SB01 reconciliation.
- Seven of 29 (24%) SB01 reconciliations tested did not document the dates the reconciliations were performed. Accordingly, we could not determine if the SB01 reconciliations were performed or reviewed timely by the appropriate individuals.
- All Fiscal Year 2020 and 2021 reconciliations of the Monthly Revenue Status Report (SB04) and Object Expense/Expenditures by Quarter Report (SA02) were not completed by the Bureau. (Finding 2, pages 11-12)

We recommended the Bureau perform appropriation, cash receipts, contracts, expenditures, and obligations reconciliations in accordance with the SAMS Manual and document review by management on all financial records.

**Bureau accepted the finding**

Bureau officials accepted the finding and noted they will take steps to ensure the Executive Director's initials on the printed monthly reconciliations are dated to indicate the date of the examination.

**OTHER FINDINGS**

The remaining findings pertain to weaknesses in cybersecurity programs and practices and untimely submission of and errors on required filings. We will review the Bureau's progress towards the implementation of our recommendations in our next State compliance examination.

**ACCOUNTANT'S OPINION**

The accountants conducted a State compliance examination of the Bureau for the two years ended June 30, 2021, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2021-001 and 2021-002. Except for the noncompliance described in this

finding, the accountants stated the Bureau complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by West & Company, LLC.

**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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