

**STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR**

**COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2019

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019

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STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019

**AGENCY OFFICIALS**

Executive Inspector General (5/31/19 to Current) Acting (3/14/18 to 5/30/19) (7/1/17 to 3/13/18)	Ms. Susan M. Haling Ms. Susan M. Haling Ms. Margaret Hickey
First Assistant Inspector General* (7/1/17 to 3/13/18)	Ms. Susan M. Haling
Chief Administrative Officer	Ms. Claudia P. Ortega
General Counsel (6/1/18 to Current) (7/1/17 to 5/31/18)	Mr. Neil P. Olson Mr. Daniel Hurtado
Deputy Inspector General and Chief of Chicago Division	Ms. Fallon Opperman
Deputy Inspector General and Chief of Springfield Division Acting (2/1/20 to Current) (9/14/19 to 1/31/20) (7/1/17 to 9/13/19)	Ms. Angela Luning Vacant Mr. Thomas Klein
Director, Hiring & Employment Monitoring Division	Ms. Erin K. Bonales
Deputy Inspector General – Executive Projects	Ms. Christine Benavente

\*Due to a reorganization, this position has been eliminated.

**OFFICES**

The Office's administrative offices are located at:

69 W. Washington Street, Suite 3400  
Chicago, Illinois 60602

607 East Adams Street, 14<sup>th</sup> Floor  
Springfield, Illinois 62701



OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR

69 WEST WASHINGTON STREET, SUITE 3400  
CHICAGO, ILLINOIS 60602  
(312) 814-5600

MANAGEMENT ASSERTION LETTER

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

October 9, 2020

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 Office of Executive Inspector General for the Agencies of the Illinois Governor (Office). 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 Office's compliance with the following specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2019, the Office has materially complied with the specified requirements listed below.

- A. The Office 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 Office 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 Office 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 Office 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 Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Office of Executive Inspector General  
for the Agencies of the Illinois Governor

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Susan Haling, Executive Inspector General

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Claudia Ortega, Chief Administrative Officer

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Neil Olson, General Counsel

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
STATE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019

**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	0	2
Repeated Findings	0	0
Prior Recommendations Implemented or Not Repeated	2	0

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
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PRIOR FINDINGS NOT REPEATED

A	8		Inadequate Documentation of Reconciliations	
B	8		Voucher Processing Weaknesses	

**EXIT CONFERENCE**

The Office waived an exit conference in a correspondence from Neil Olson, General Counsel, on October 5, 2020. The responses to the recommendations were provided by Neil Olson, General Counsel, in a correspondence dated October 7, 2020.

SPRINGFIELD OFFICE:

ILES PARK PLAZA  
740 EAST ASH • 62703-3154  
PHONE: 217/782-6046  
FAX: 217/785-8222 • TTY: 888/261-2887  
FRAUD HOTLINE: 1-855-217-1895



CHICAGO OFFICE:

MICHAEL A. BILANDIC BLDG. • SUITE S-900  
160 NORTH LASALLE • 60601-3103  
PHONE: 312/814-4000  
FAX: 312/814-4006  
FRAUD HOTLINE: 1-855-217-1895

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

**Compliance**

We have examined compliance by the State of Illinois, Office of Executive Inspector General for the Agencies of the Illinois Governor's (Office) compliance 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, 2019. Management of the Office is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Office 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 Office 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 Office 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 Office 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 Office on behalf of the State or held in trust by the Office have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

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 Office complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Office 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 Office's compliance with the specified requirements.

In our opinion, the Office complied with the specified requirements during the two years ended June 30, 2019, in all material respects.

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 Office 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 Office's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Office's compliance with the specified requirements and to test and report on the Office's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office'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* 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* 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. Given these limitations, during our examination, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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 Office's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2018, 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 Office management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 5. We have not applied procedures to the accompanying supplementary information for the year ended June 30, 2017, 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**

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JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
October 9, 2020

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2019

A. **FINDING** (Inadequate Documentation of Reconciliations)

During the prior examination, the Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) did not make and preserve documentation showing it timely performed its monthly expenditure reconciliations.

During the current examination, our sample testing noted significant improvements in the Office's performance and documentation of monthly expenditure reconciliations, and we concluded the Office materially complied with expenditure reconciliation requirements. (Finding Code No. 2017-001)

B. **FINDING** (Voucher Processing Weaknesses)

During the prior examination, the Office did not exercise adequate controls over voucher processing.

During the current examination, the results of our sample testing indicated the Office materially complied with voucher processing requirements. (Finding Code No. 2017-002)

STATE OF ILLINOIS  
 OFFICE OF EXECUTIVE INSPECTOR GENERAL  
 FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2019

For the Sixteen Months Ended October 31, 2019

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures		Total Expenditures 16 Months Ended October 31	Balances Lapsed
			July 1 to October 31	October 31		
<b>APPROPRIATED FUNDS</b>						
<b>GENERAL REVENUE FUND - 001</b>						
Public Act 100-0586	\$ 6,130,900	\$ 5,533,584	\$ 77,818	\$ 5,611,402	\$ 519,498	
FISCAL YEAR 2019	\$ 6,130,900	\$ 5,533,584	\$ 77,818	\$ 5,611,402	\$ 519,498	
<b>PUBLIC TRANSPORTATION FUND - 627</b>						
Ordinary and Contingent Expenses	\$ 1,610,800	\$ 1,091,236	\$ 13,763	\$ 1,104,999	\$ 505,801	
Subtotal - Fund 627	\$ 1,610,800	\$ 1,091,236	\$ 13,763	\$ 1,104,999	\$ 505,801	
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	\$ 7,741,700	\$ 6,624,820	\$ 91,581	\$ 6,716,401	\$ 1,025,299	
<b>GRAND TOTAL - ALL FUNDS</b>	\$ 7,741,700	\$ 6,624,820	\$ 91,581	\$ 6,716,401	\$ 1,025,299	

Note 1: Appropriations, expenditures, and lapsed balances in this schedule were prepared by the Office and have been reconciled to the State Comptroller's records as of October 31, 2019.

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

STATE OF ILLINOIS  
 OFFICE OF EXECUTIVE INSPECTOR GENERAL  
 FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2018

For the Sixteen Months Ended October 31, 2018

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures		Total Expenditures 16 Months Ended October 31	Balances Lapsed
			July 1 to October 31	October 31		
Public Acts 100-0021 and 100-0586 FISCAL YEAR 2018						
<b>APPROPRIATED FUNDS</b>						
<b>GENERAL REVENUE FUND - 001</b>						
Operational Expenses	\$ 6,130,900	\$ 5,905,960	\$ 133,448	\$ 6,039,408	\$ 91,492	
Ordinary and Contingent Expenses	1,409,400	548,814	561,087	1,109,901	299,499	
Subtotal - Fund 001	<u>\$ 7,540,300</u>	<u>\$ 6,454,774</u>	<u>\$ 694,535</u>	<u>\$ 7,149,309</u>	<u>\$ 390,991</u>	
<b>PUBLIC TRANSPORTATION FUND - 627</b>						
Operational Expenses	\$ 1,610,800	\$ 982,948	\$ 23,125	\$ 1,006,073	\$ 604,727	
Subtotal - Fund 627	<u>\$ 1,610,800</u>	<u>\$ 982,948</u>	<u>\$ 23,125</u>	<u>\$ 1,006,073</u>	<u>\$ 604,727</u>	
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<u>\$ 9,151,100</u>	<u>\$ 7,437,722</u>	<u>\$ 717,660</u>	<u>\$ 8,155,382</u>	<u>\$ 995,718</u>	
<b>GRAND TOTAL - ALL FUNDS</b>	<u>\$ 9,151,100</u>	<u>\$ 7,437,722</u>	<u>\$ 717,660</u>	<u>\$ 8,155,382</u>	<u>\$ 995,718</u>	

Note 1: Appropriations, expenditures, and lapsed balances in this schedule were prepared by the Office and have been reconciled to the State Comptroller's records as of October 31, 2018.

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

Note 3: Notwithstanding anything in Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Office to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations Section of this report includes information from Office management about the number of invoices and total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Office submitted against its Fiscal Year 2018 appropriations.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	Fiscal Year		
	2019 P.A. 100-0586	2018 P.A. 100-0021 P.A. 100-0586	2017 P.A. 99-0524 P.A. 100-0021 Court Ordered Expenditures
<b>General Revenue Fund - 001</b>			
Appropriations (Net of Transfers)	\$ 6,130,900	\$ 7,540,300	
<u>Expenditures</u>			
Personal Services	\$ -	\$ -	\$ 4,286,288
Operational Expenses	-	6,039,408	-
Ordinary and Contingent Expenses	5,611,402	1,109,901	-
Total Expenditures	\$ 5,611,402	\$ 7,149,309	\$ 4,286,288
Lapsed Balances	\$ 519,498	\$ 390,991	
<b>Public Transportation Fund - 627</b>			
Appropriations (Net of Transfers)	\$ 1,610,800	\$ 1,610,800	\$ 1,610,800
<u>Expenditures</u>			
Operational Expenses	\$ -	\$ 1,006,073	\$ 990,002
Ordinary and Contingent Expenses	1,104,999	-	-
Total Expenditures	\$ 1,104,999	\$ 1,006,073	\$ 990,002
Lapsed Balances	\$ 505,801	\$ 604,727	\$ 620,798
<b>Budget Stabilization Fund - 686</b>			
Appropriations (Net of Transfers)	\$ -	\$ -	\$ 150,000
<u>Expenditures</u>			
Ordinary and Contingent Expenses	\$ -	\$ -	\$ 149,606
Total Expenditures	\$ -	\$ -	\$ 149,606
Lapsed Balances	\$ -	\$ -	\$ 394
<b>TOTAL - ALL APPROPRIATED FUNDS</b>			
Total Appropriations	\$ 7,741,700	\$ 9,151,100	\$ 1,760,800
Total Expenditures	6,716,401	8,155,382	5,425,896
Lapsed Balances	\$ 1,025,299	\$ 995,718	\$ 621,192
<b>GRAND TOTAL - ALL FUNDS</b>			
Total Expenditures	\$ 6,716,401	\$ 8,155,382	\$ 5,425,896

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES**  
For the Fiscal Years Ended June 30,

	2019	Fiscal Year 2018	2017
<b>STATE OFFICERS' SALARIES</b>			
<b>General Revenue Fund - 001 (State Comptroller)</b>			
<u>Expenditures</u>			
Executive Inspector General - Governor	\$ 150,000	\$ 149,585	\$ 150,168
Total Expenditures	<u>\$ 150,000</u>	<u>\$ 149,585</u>	<u>\$ 150,168</u>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances in this schedule were prepared by the Office and have been reconciled to the State Comptroller's records as of October 31, 2019, and October 31, 2018.

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

Note 3: Notwithstanding anything in Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Office to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations Section of this report includes information from Office management about the number of invoices and total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Office submitted against its Fiscal Year 2018 appropriations.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND  
RECONCILIATION OF CASH RECEIPTS TO  
DEPOSITS REMITTED TO THE COMPTROLLER**

For the Fiscal Year Ended June 30,

	FISCAL YEAR		
	2019	2018	2017
<b><u>GENERAL REVENUE FUND - 001</u></b>			
Reimbursements/Jury Duty Recoveries	\$ 69	\$ 52	\$ 17
Miscellaneous	146	-	66
Total Receipts per Office Records	<u>\$ 215</u>	<u>\$ 52</u>	<u>\$ 83</u>
Plus - In Transit at Beginning of Year	\$ -	\$ -	\$ -
Less - In Transit at End of Year	-	-	-
Deposits Recorded by the State Comptroller	<u>\$ 215</u>	<u>\$ 52</u>	<u>\$ 83</u>
<b><u>PUBLIC TRANSPORTATION FUND - 627</u></b>			
Prior Year Refund	\$ 18,745	\$ -	\$ -
Total Receipts per Office Records	<u>\$ 18,745</u>	<u>\$ -</u>	<u>\$ -</u>
Plus - In Transit at Beginning of Year	\$ -	\$ -	\$ -
Less - In Transit at End of Year	-	-	-
Deposits Recorded by the State Comptroller	<u>\$ 18,745</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>GRAND TOTAL - ALL FUNDS</u></b>			
Total Receipts per Office Records	<u>\$ 18,960</u>	<u>\$ 52</u>	<u>\$ 83</u>
Plus - In Transit at Beginning of Year	\$ -	\$ -	\$ -
Less - In Transit at End of Year	-	-	-
Deposits Recorded by the State Comptroller	<u>\$ 18,960</u>	<u>\$ 52</u>	<u>\$ 83</u>

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2019

	<u>Equipment</u>
Balance at July 1, 2017	\$ 451,298
Additions	51,600
Deletions	(1,684)
Net Transfers	<u>(217)</u>
Balance at June 30, 2018	<u><u>\$ 500,997</u></u>
Balance at June 30, 2018	\$ 500,997
Additions	76,478
Deletions	(143,733)
Net Transfers	<u>(30,428)</u>
Balance at June 30, 2019	<u><u>\$ 403,314</u></u>

Note: Amounts in this schedule were prepared by the Office and have been reconciled to property reports submitted to the State Comptroller.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

FUNCTIONS

The Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) was established as an independent State agency charged with investigating allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, and violations of the State Officials and Employees Ethics Act (Ethics Act) (5 ILCS 430). During the two fiscal years ending June 30, 2019, the Office's jurisdiction included more than 170,000 State employees, appointees, and officials, including: the Governor; the Lieutenant Governor; more than 300 executive branch State agencies, departments, boards, and commissions; the nine State public universities across a dozen campuses; the four Chicago area Regional Transit Boards (RTBs) (the Regional Transportation Authority, the Chicago Transit Authority, Metra, and Pace); and vendors and contractors of any of those entities.

The Office is responsible for administering four major programs: investigations, revolving door determinations, hiring and employment monitoring, and external compliance and outreach (training).

*Investigations Division*

The Office receives and investigates allegations of fraud, waste, abuse, mismanagement, misconduct, nonfeasance, misfeasance, malfeasance, and violations of the Ethics Act. Allegations are determined to be either founded or unfounded based on the Office's investigation. If unfounded, the Office prepares a written statement about its decision to close the investigation that is provided to the Executive Ethics Commission (EEC). If the allegation is deemed to be founded, the Office will submit a summary report to the affected State agency, board, or university and to the Governor's office or other ultimate jurisdictional authority. The Office has the authority only to recommend that an agency take disciplinary and/or corrective action, as it cannot require that such action be taken. The Ethics Act contains provisions that govern the public release of summary reports by the EEC. All reports and investigative material gathered by the Office are confidential and are exempt from the Freedom of Information Act.

If a founded report involves a violation of the Ethics Act, then the Office may forward a copy of the report to the Attorney General's office requesting that the Attorney General file a complaint before the EEC. If an administrative proceeding is commenced in the EEC after the filing of the complaint, the Office is a party to the proceeding, and assists the Attorney General in prosecuting the matter. The EEC has the authority to impose fines for Ethics Act violations as well as to order injunctive relief.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

	<u>Fiscal Year</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Complaints Received	2,632	2,729	2,546
Investigations Opened	107	90	96
Investigations Closed	98	96	99
Investigations with Findings	29	24	27

***Revolving Door Determinations***

Certain State employees whose positions may have the authority to participate personally and substantially in contracting or regulatory decisions must seek a determination from the Office prior to accepting non-State employment (5 ILCS 430/5-45). These so-called “revolving door” determinations are investigated by Office staff, and all determinations are authorized by the General Counsel and the Executive Inspector General. Employees may be found to be “restricted” from accepting the prospective non-State employment for a period of one year following the termination of State employment.

	<u>Fiscal Year</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revolving Door Determinations	162	181	189
Restricted Determinations	1	4	3

***Hiring & Employment Monitoring Division***

The Ethics Act directs the Office to “review hiring and employment files of each State agency within [its] jurisdiction to ensure compliance with *Rutan v. Republican Party of Illinois...* and with all applicable employment laws” (5 ILCS 430/20-20(9)). In keeping with this mandate, in Fiscal Year 2016, the Office created the Division of Hiring & Employment Monitoring (HEM), which conducts compliance-based reviews of State hiring and employment procedures and decisions to ensure that they are lawful, merit-based and/or justifiable. HEM conducts file reviews and on-site monitoring of agency hiring decisions. HEM operates independently from the Office Investigative Division.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

The creation of HEM as an independent division was prompted by a number of reasons, including the Office’s investigative findings regarding hiring and/or employment improprieties and the appointment of a federal court monitor in the *Shakman* litigation, whose initial and ongoing charge to review hiring practices within the Department of Transportation was expanded in November 2016 to review all exempt positions under the jurisdiction of the Governor. HEM works collaboratively with the federal monitor in an effort to reduce costs to the State.

During the examination period, much of HEM’s work focused on the review of all exempt positions under the Governor in the *Shakman* litigation. As a result of the review, the federal court entered an Agreed Order on January 7, 2019, implementing the Governor’s Employment Plan for Exempt Positions (Exempt Employment Plan). An Exempt List was also filed, which contained an exhaustive list of all exempt positions, i.e., an at-will position that performs duties in such a way that political affiliation is an appropriate consideration for effective performance of the job. The Exempt Employment Plan vests the Executive Inspector General with decision-making authority regarding changes to the Exempt List. It also requires notice for hiring or selection into Exempt List positions, and certifications from Governor’s Office and agency personnel staff that candidates are minimally qualified for the exempt positions they occupy.

	<u>Fiscal Year</u>		
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Hiring Sequences Reviewed	31	28	14
Desk Audits Conducted	7	12	38
Interviews Monitored	364	231	58
Applications Reviewed	1,047	926	586
Positions Reviewed	139	112	2,341*

\* Reflects reviews of exempt positions as described above.

***External Outreach and Compliance (Training)***

The Office and the EEC, in consultation with the Attorney General, are statutorily responsible for overseeing ethics and sexual harassment training as required by the Ethics Act. (Note: Sexual harassment prevention training under the Ethics Act was added by Public Act 100-0554, effective January 1, 2018. After the examination period, Public Act 101-0221 further amended the Ethics Act to expand sexual harassment prevention training to discrimination and harassment prevention training, effective January 1, 2020.)

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**AGENCY FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

The Office produces multiple forms of ethics training used by many of the agencies, boards, and commissions under its jurisdiction and oversees the production and implementation of ethics and sexual harassment prevention training by the State public universities and RTBs. The Office requests and receives reports from each agency, board, public university, and RTBs under the Office’s jurisdiction regarding ethics and sexual harassment prevention training compliance.

	<u>Fiscal Year</u>	<u>Calendar Year</u>	
	<u>2017</u>	<u>2018*</u>	<u>2019*</u>
Ethics Training Sessions	197,636	186,659	193,026
Sexual Harassment Prevention Training Sessions	**	161,890	181,815

\* Beginning in 2018, the Office tracked training on a calendar-year basis consistent with the availability of annual training on a year-round basis and annual reporting at the conclusion of the calendar year.

\*\* Sexual harassment prevention training under the Ethics Act was first required as of January 1, 2018.

**PLANNING PROGRAM**

The Office has not established a written formal management planning program. However, since September 2010, the Office has memorialized its short-term and long-term goals in its Annual Reports, in the Public Accountability Report (PAR), on its website, and in its monthly newsletters. The Office also has described its goals and mission in budget-by-objective submission to the General Assembly, in Illinois State Legislative submissions to the General Assembly, and via testimony in the Senate and House appropriations committees. The Office has regular management meetings, usually once per week, led by the Executive Inspector General. At management meetings, staff discuss fiscal, personnel, and other general issues. Pending investigations and special projects, such as the personnel manual, policy manuals, annual reports, and proposed content of the Office’s monthly electronic newsletter are also discussed.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2019 AND 2018**

**General Revenue Fund – 001**

The variations noted between Fiscal Year 2018 and Fiscal Year 2019 were due to changes in the classification of the appropriations received from the General Revenue Fund. During Fiscal Year 2018, the Office received appropriations for operational expenses as well as a supplemental appropriation for ordinary and contingent expenses. During Fiscal Year 2019, the Office received one appropriation for ordinary and contingent expenses from the General Revenue Fund. The overall decrease in expenditures noted from Fiscal Year 2018 to Fiscal Year 2019 was due to the payment of outstanding liabilities stemming from the budget impasse during Fiscal Year 2018, as well as routine Office expenditures for that year. The expenditures reported for Fiscal Year 2019 consist of only Fiscal Year 2019 costs.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017**

**General Revenue Fund – 001**

The variations noted between Fiscal Year 2017 and Fiscal Year 2018 were due to changes in the classification of the appropriations received from the General Revenue Fund. During Fiscal Year 2017, the Office was court-ordered to make payroll expenditures. During Fiscal Year 2018, the Office received appropriations for operational expenses as well as a supplemental appropriation for ordinary and contingent expenses. The Fiscal Year 2018 appropriation also allowed for the payment of all outstanding liabilities from Fiscal Year 2016 and Fiscal Year 2017 which were previously unpaid due to the budget impasse.

**Public Transportation Fund – 627**

The variations noted between Fiscal Year 2017 and Fiscal Year 2018 were due to changes in the classification of the appropriations received from the Public Transportation Fund. During Fiscal Year 2017, the Office received an appropriation for operational expenses. During Fiscal Year 2018, the Office received an appropriation for ordinary and contingent expenses.

**Budget Stabilization Fund – 686**

During Fiscal Year 2017, the Office was authorized to spend \$150,000 for operational purposes. The Office did not receive an appropriation from this fund during Fiscal Year 2018.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2019 AND 2018**

**General Revenue Fund – 001**

There were no significant variations in receipts between Fiscal Year 2019 and Fiscal Year 2018.

**Public Transportation Fund – 627**

Prior Year Refund

In Fiscal Year 2019, the Office received one refund check, totaling \$18,745, for an overpayment of employer contributions to the State Employee Retirement System due to a mid-year contribution percentage change. No such refunds were received during Fiscal Year 2018.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017**

There were no significant variations in receipts between Fiscal Year 2018 and Fiscal Year 2017.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

**FISCAL YEAR 2019**

No instances of significant Lapse Period spending were noted during Fiscal Year 2019.

**FISCAL YEAR 2018**

**General Revenue Fund – 001**

Ordinary and Contingent Expenses

The Office's Lapse Period spending consisted of routine instances of voucher processing as well as efforts to reduce a backlog of bills from the budget impasse, as permitted by its appropriation bill (P.A. 100-0568).

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**BUDGET IMPASSE DISCLOSURES**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Office to pay Fiscal Year 2016 costs using the Office's Fiscal Year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the Office to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Office's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The following chart shows the Office's payments of its prior period costs using future appropriations:

**FISCAL YEAR 2016 INVOICES**

<u>Fund #</u>	<u>Fund Name</u>	<u>Paid From Fiscal Year 2017 Appropriations</u>		<u>Paid From Fiscal Year 2018 Appropriations</u>	
		<u>Number</u>	<u>Dollar Value</u>	<u>Number</u>	<u>Dollar Value</u>
001	General Revenue Fund	-	\$ -	11	\$ 258,696
627	Public Transportation Fund	12	4,285	-	-
686	Budget Stabilization Fund	224	75,606	-	-
		236	\$ 79,891	11	\$ 258,696

**FISCAL YEAR 2017 INVOICES**

<u>Fund #</u>	<u>Fund Name</u>	<u>Paid From Fiscal Year 2017 Appropriations</u>		<u>Paid From Fiscal Year 2018 Appropriations</u>	
		<u>Number</u>	<u>Dollar Value</u>	<u>Number</u>	<u>Dollar Value</u>
001	General Revenue Fund	-	\$ -	79	\$ 851,205
627	Public Transportation Fund	149	154,281	-	-
686	Budget Stabilization Fund	168	74,000	-	-
		317	\$ 228,281	79	\$ 851,205

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Years Ended June 30,

(NOT EXAMINED)

The following table, prepared by the Office, presents the average number of employees, by function for the Fiscal Years ended June 30,

<u>Division</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Administration	13	14	7
Fiscal	0*	0*	2
Human Resources	0*	0*	3
Investigations/Legal	48	48	53
Hiring and Employment Monitoring	9	7	0*
Ethics Training	0*	0*	3
External Compliance and Outreach	2	3	0*
Total Average Full-Time Employees	<u>72</u>	<u>72</u>	<u>68</u>

\*During Fiscal Year 2018, the Office restructured its divisions. As such, certain employees formerly classified in the Fiscal and Human Resources division were reclassified under the Administration division. The Office established a new Hiring and Employment Monitoring division, and the former Ethics Training division was renamed the External Compliance and Outreach division.

STATE OF ILLINOIS  
OFFICE OF EXECUTIVE INSPECTOR GENERAL  
FOR THE AGENCIES OF THE ILLINOIS GOVERNOR  
**MEMORANDA OF UNDERSTANDING**  
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

MEMORANDA OF UNDERSTANDING

The Office of Executive Inspector General for the Agencies of the Illinois Governor (Office) had three Memoranda of Understanding (MOUs) during the examination period. These MOUs were between the Office and the Office of the Governor (Governor), the Office and the Department of Revenue (DOR), and the Office and the Department of Corrections (DOC) and the Department of State Police (DSP).

The MOU between the Office and the Governor was entered into on October 10, 2012. The purpose of the MOU is to set forth an understanding for a procedure to permit the Office to fulfill its statutory duties and conduct timely, thorough, and independent investigations of allegations that may involve the collection of electronic data contained on digital devices, while at the same time allowing the Governor's Office and agencies, boards, and commissions under the jurisdiction of the Governor to maintain, assert, and not waive certain privileges and protections such as the attorney-client communication privilege and attorney work product, on electronic data contained on digital devices seized by the Office from the Governor or any agency during the course of an official investigation. Furthermore, the MOU discusses procedures which apply to the seizure of a digital device under agency control by the Office.

The MOU between the Office and the DOR was entered into on April 22, 2005. The MOU explains the Office is to protect the confidentiality of information it receives including information about its investigations, confidential informants, whistleblowers, documents, and other sensitive information. Also, the MOU explains that during the course of an investigation, the Office may require access to records or information held by the DOR which is classified as confidential by law or the internal policy of the DOR. Pursuant to the MOU, the DOR's Director authorizes the disclosure of such information to the Office as necessary and to the extent required to fulfill the Office's responsibilities under the State Officials and Employees Ethics Act. It is the responsibility of the Office to maintain the confidentiality of documents which are obtained from the DOR. An unauthorized disclosure of confidential taxpayer and tax return information is considered a criminal offense pursuant to State and federal statutes.

The MOU between the Office, DOC, and DSP was entered into on May 14, 2010. The purpose of the MOU is to clarify the types of cases which will be investigated by the DSP, DOC, and the Office, in addition to those listed in Section III of Administrative Order #6 (2003). Allegations of incidents that are not specifically enumerated in the agreement, the State Officials and Employees Ethics Act, and Administrative Order #6 (2003), must be promptly reported directly to the Office by DOC.

The three MOU have not changed since the original agreement dates and the Office has not entered into any additional MOUs.