



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

PROPERTY TAX APPEAL BOARD

State Compliance Examination
 For the Two Years Ended June 30, 2022

Release Date: May 2, 2024

FINDINGS THIS AUDIT: 12				AGING SCHEDULE OF REPEATED FINDINGS			
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	2	3	2020		22-04, 22-05, 22-07, 22-08, 22-09, 22-10, 22-11	
Category 2:	1	8	9	2018	22-03	22-06	
Category 3:	0	0	0	2004	22-02		
TOTAL	2	10	12				
FINDINGS LAST AUDIT: 13							

SYNOPSIS

- **(22-01)** The Property Tax Appeal Board’s (Board) internal controls over its voucher processing function were not operating effectively during the examination period.
- **(22-02)** The Board did not allow for the speedy hearing of all appeals.

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.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

VOUCHER PROCESSING WEAKNESSES

The Property Tax Appeal Board's (Board) internal controls over its voucher processing function were not operating effectively during the examination period.

Due to our ability to rely upon the processing integrity of the Enterprise Resource Planning System (ERP) operated by the Department of Innovation and Technology (DoIT), we were able to limit our voucher testing at the Board to determine whether certain key attributes were properly entered by the Board's staff into the ERP. In order to determine the operating effectiveness of the Board's internal controls related to voucher processing and subsequent payment of interest, we selected a sample of key attributes (attributes) to determine if the attributes were properly entered into the State's ERP System based on supporting documentation. The attributes tested were 1) vendor information, 2) expenditure amount, 3) object(s) of expenditure, and 4) the later of the receipt date of the proper bill or the receipt date of the goods and/or services.

ERP Conditions

Our testing noted 4 of 140 (3%) attributes were not properly entered into the ERP System. Therefore, the Board's internal controls over voucher processing **were not operating effectively**.

Information improperly entered into ERP

Due to this condition, we qualified our opinion because we determined the Board had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

Even given the limitations noted above, we conducted an analysis of the Board's expenditures data for fiscal years 2021 and 2022 to determine compliance with the Code (74 Ill. Admin Code 90070). We noted the following noncompliance:

Vouchers not timely approved

- The Board did not timely approve 17 of 534 (3%) vouchers processed during the examination period, totaling \$26,766. We noted these late vouchers were submitted by the Board to the Comptroller's Office between 1 and 45 days late.

Missing obligation document

- The supporting documentation for 1 of 35 (3%) vouchers tested, totaling \$530, did not include a purchase order, requisition, or other obligation document.

New Furniture Affidavit not filed

- For 1 of 35 (3%) vouchers tested, totaling \$17,948, the Board did not file a New Furniture Affidavit with the Department of Central Management Services (DCMS) for the purchase of new furniture.

Incorrect detail object code

- One of 35 (3%) vouchers tested, totaling \$6,011, was not categorized into the correct detail object code.

Voucher not properly supported

- One of 35 (3%) vouchers tested, totaling \$530, was not properly supported. Specifically, the voucher support did not contain information regarding what certification was being reimbursed.

Failure to revoke signature authority

- The Board did not revoke voucher signature authority for three individuals in a timely manner. The authority was revoked between 974 and 1,542 days after each employees' respective last day. (Finding 1, pages. 10-13)

We recommended the Board strengthen its controls over voucher processing to ensure vouchers are processed properly and timely.

Board agreed

The Board accepted the findings and will work to improve its controls over the voucher processing system.

TIMELINESS OF HEARINGS

The Board did not allow for the speedy hearing of all appeals. During testing, we noted the following:

Property Tax Appeal Case Backlog

- The Board has a backlog of property tax appeal cases. As of June 30, 2022, the Board had over 80,000 cases which were still pending, and the increase in cases has been exponential over the past few years. It would take many years to fully process the backlog given the current increase in case load, as well as current staffing levels.

Instances of the Board not allowing for a speedy hearing

- The Board did not allow for a speedy hearing of appeal cases. We analyzed 100% of the cases closed during the examination period and pending as of June 30, 2022, and noted the following:
 - 40,400 of 70,340 (57%) cases were closed over two years from the receipt date.
 - 61,776 of 84,942 (73%) cases were pending over two years from the receipt date. (Finding 2, pages 14-15). **This finding has been repeated since 2004.**

We recommended the Board work with the Governor and the General Assembly to increase its headcount, which will assist the Board in providing for the speedy hearing of all new appeals and decrease the backlog of appeals.

Board agreed

The Board accepted the finding and is in the process of hiring additional staff to decrease the number of pending appeals.

OTHER FINDINGS

The remaining findings pertain to inadequate control over State property, receipts, reconciliations, performance evaluations, timekeeping files, Agency Fee Imposition Reports and leased equipment; reporting procedural deficiencies; information security weaknesses; and lack of interagency agreement with DoIT. We will review the Board'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 Board for the two years ended June 30, 2022, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2022-001 through 2022-003. Except for the noncompliance described in these findings, the accountants stated the Board complied, in all material respects, with the requirements described in the report.

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

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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