



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

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**SUPREME COURT HISTORIC PRESERVATION COMMISSION**

Compliance Examination  
 For the Two Years Ended June 30, 2019

Release Date: October 14, 2020

FINDINGS THIS AUDIT: 1				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>No Repeat Findings</b>			
Category 2:	1	0	1				
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>1</b>				
<b>FINDINGS LAST AUDIT: 0</b>							

**SYNOPSIS**

- (19-01) The Commission did not maintain adequate controls over its receipt processing procedures and related fiscal records.

**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.

**SUPREME COURT HISTORIC PRESERVATION COMMISSION  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2019**

<b>EXPENDITURE STATISTICS</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total Expenditures.....</b>	<b>\$ 1,526,791</b>	<b>\$ 990,033</b>	<b>\$ 514,283</b>
<b>OPERATIONS TOTAL.....</b>	<b>\$ 1,526,791</b>	<b>\$ 990,033</b>	<b>\$ 514,283</b>
% of Total Expenditures.....	100%	100%	100%
Personal Services.....	253,363	176,504	252,068
Other Payroll Costs (FICA, Retirement).....	219,023	151,420	205,506
All Other Operating Expenditures.....	1,054,405	662,109	56,709
<b>Total Receipts.....</b>	<b>\$ 1,010,353</b>	<b>\$ 671,546</b>	<b>\$ 365</b>
<b>Average Number of Employees.....</b>	<b>3</b>	<b>3</b>	<b>3</b>

<b>AGENCY DIRECTOR</b>	
During Examination Period:	Mr. John Lupton
Currently:	Mr. John Lupton

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER REVENUES**

The Commission did not maintain adequate controls over its receipt processing procedures and related fiscal records. During testing, we noted the following:

**Improperly recorded three refund receipts with a C-64 rather than a C-67 form**

- The Commission improperly recorded three (100%) refund receipts tested, totaling \$9,676, with a Receipt Deposit Transmittal (C-64) form rather than an Expenditure Adjustment Transmittal (C-67) form.

**Inadequate segregation of duties**

- The Commission did not maintain an adequate segregation of duties over its receipt processing functions. More specifically, we noted that one employee had the authority to perform all parts of the transaction cycle, including:
  - **Authorization** by reviewing and approving transactions, including both depositing funds into the State Treasury’s clearing accounts and preparing C-64 forms.
  - **Custody** by handling and depositing physical checks and money orders and maintaining electronic and physical records.
  - **Recordkeeping** by preparing entries and maintaining the Commission’s internal accounting records.
  - **Reconciliation** by preparing reconciliations with the Comptroller’s records to verify each transaction’s validity, proper authorization, and entry into the Commission’s accounting records.

**Unable to provide copy of FY17 Agency Fee Imposition Report**

- The Commission was unable to provide a copy of its Fiscal Year 2017 Agency Fee Imposition Report. Although the Commission does not impose fees, it is still required to file a negative report with the Comptroller indicating it did not collect fees during the applicable fiscal year. (Finding 1, pages 8-9)

We recommended the Commission properly record its refunds and file and maintain support for its submission of its Agency Fee Imposition Reports as required by the SAMS Manual. Furthermore, we recommended the Commission provide for and document an adequate separation of duties over its receipt processes.

**Commission accepted our recommendation**

Commission officials accepted our recommendation.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Commission for the two years ended June 30, 2019, as required by the Illinois State Auditing Act. The accountants stated the Commission complied, in all material respects, with the requirements described in the report.

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

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

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

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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