

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

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AGENCY OFFICIALS

Director (Subsequent to 9/28/12)	Vacant
Director (Through 9/28/12)	Barbara Shaw
Director of Grant Programs (Also Acting as Authority Head Subsequent to 9/28/12)	Reshma Desai
Fiscal Contract Manager	Barbara King
Director of Illinois Family Violence Coordinating Councils Grant Program	Vernette Beorkrem

Board offices were located at:

James R. Thompson Center
100 West Randolph Street
Suite 4-750
Chicago, IL 60601

Illinois Family Violence Coordinating Councils
528 South 5th Street Suite 200
Springfield, IL 62701



**ILLINOIS
CRIMINAL JUSTICE
INFORMATION AUTHORITY**

300 W. Adams Street • Suite 200 • Chicago, Illinois 60606 • (312) 793-8550

MANAGEMENT ASSERTION LETTER

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, Illinois 62703-3154
Attention: Lisa Warden, Manager

February 3, 2014

Dear General Holland:

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 Illinois Violence Prevention Authority (Authority). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements.

As you know, the Illinois Violence Prevention Authority's powers, duties, rights, and responsibilities were transferred to the Illinois Criminal Justice Information Authority pursuant to Public Act 97-1151 effective January 25, 2013. Although the Illinois Criminal Justice Information Authority was not responsible for the Authority prior to that time, Reshma Desai and Barbara King were part of the Authority management team and have performed an evaluation of the Authority's compliance with regard to the two-year period that began July 1, 2010 and ended June 30, 2012. Based on these evaluations, Reshma Desai and Barbara King are able to assert that during this two-year period the Authority had materially complied with the assertions below, except as reported in Findings 12-1 through 12-4.

- A. The Authority 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 Authority 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 Authority 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 Authority 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.

Yours very truly,

Illinois Criminal Justice Information Authority



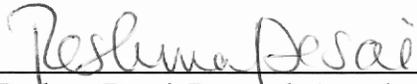
Jack Cutrone, Executive Director



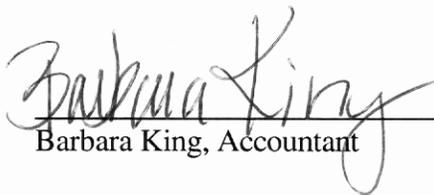
Ronald Litwin, Acting Chief Fiscal Officer



Lisa Stephens, General Counsel



Reshma Desai, Research Associate



Barbara King, Accountant

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COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

The Illinois Violence Prevention Authority's powers, duties, rights, and responsibilities were transferred to the Illinois Criminal Justice Information Authority pursuant to Public Act 97-1151 effective January 25, 2013.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a qualified opinion on compliance and material weaknesses over internal control.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	<u>Report</u>	<u>Report</u>
Repeated findings	6	0
Prior recommendations implemented	0	0
or not repeated	0	0

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
12-1	10	Governor's Discretionary Appropriation Noncompliance	Material Weakness and Material Noncompliance
12-2	15	Inadequate Controls Over the Grant Awarding Process	Material Weakness and Material Noncompliance
12-3	22	Inadequate Controls Over Grant Administration	Material Weakness and Material Noncompliance
12-4	30	Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative	Material Weakness and Material Noncompliance

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SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
12-5	46	Inadequate Controls over Filing of Statements of Economic Interest	Significant Deficiency and Noncompliance
12-6	48	Inadequate Controls over Recording and Reporting of State Property	Significant Deficiency and Noncompliance

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Illinois Criminal Justice Information Authority personnel at an exit conference on January 28, 2014. Attending were:

Illinois Criminal Justice Information Authority

Mr. Jack Cutrone	Executive Director
Mr. Ronald Litwin	Acting Chief Fiscal Officer
Ms. Lisa Stephens	General Counsel
Ms. Reshma Desai	Research Associate

Office of the Auditor General

Ms. Lisa Warden	Compliance Audit Manager
Mr. Mike Maziarz	Performance Audit Manager
Mr. Jose Roa	Compliance Audit Manager
Mr. Jorge Cerda	Compliance Audit Supervisor
Mr. Jerry Munk	Compliance Staff Auditor
Ms. Jane Brown	Compliance Staff Auditor

Responses to the recommendations were provided by Jack Cutrone in a letter dated February 3, 2014.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

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

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Illinois Violence Prevention Authority's compliance with the 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, 2012. The management of the State of Illinois, Illinois Violence Prevention Authority was responsible for compliance with these requirements. The Illinois Violence Prevention Authority's powers, duties, rights, and responsibilities were transferred to the Illinois Criminal Justice Information Authority pursuant to Public Act 97-1151 effective January 25, 2013. Our responsibility is to express an opinion on the State of Illinois, Illinois Violence Prevention Authority's compliance based on our examination.

- A. The State of Illinois, Illinois Violence Prevention Authority 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 State of Illinois, Illinois Violence Prevention Authority 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 State of Illinois, Illinois Violence Prevention Authority 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 State of Illinois, Illinois Violence Prevention Authority 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.

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 as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Illinois Violence Prevention Authority's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Illinois Violence Prevention Authority's compliance with specified requirements.

As described in item 12-1 in the accompanying schedule of findings, the State of Illinois, Illinois Violence Prevention Authority did not comply with requirements regarding the obligation, expenditure, receipt, and use of public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law, and in accordance with limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use. As described in items 12-1 through 12-4 in the accompanying schedule of findings, the State of Illinois, Illinois Violence Prevention Authority did not comply with requirements regarding applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Illinois Violence Prevention Authority to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Illinois Violence Prevention Authority complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2012. However, the results of our procedures disclosed other instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 12-5 through 12-6.

Internal Control

Management of the State of Illinois, Illinois Violence Prevention Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Illinois Violence Prevention Authority's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Illinois Violence Prevention Authority's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Violence Prevention Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 12-1 through 12-4 to be material weaknesses.

A significant deficiency in an entity's internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 12-5 through 12-6 to be significant deficiencies.

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

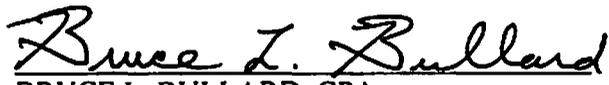
The State of Illinois, Illinois Criminal Justice Information Authority's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Illinois Criminal Justice Information Authority's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2012 and June 30, 2011 in Schedules 1 through 9 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2012 and June 30, 2011 accompanying supplementary information in Schedules 1 through 9. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedules 3 through 8 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and the State of Illinois, Illinois Criminal Justice Information Authority management and governing board, and is not intended to be and should not be used by anyone other than these specified parties.


BRUCE L. BULLARD, CPA
Director of Financial and Compliance Audits

Springfield, Illinois

February 3, 2014

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-1. **FINDING** (Governor’s Discretionary Appropriation Noncompliance)

The Illinois Violence Prevention Authority (Authority) did not comply with fiscal year expenditure limitations and specific recordkeeping requirements for all Governor’s discretionary appropriations from the General Revenue Fund (GRF).

During Fiscal Year 2011 (FY11), the Authority was the recipient of three lump sum amounts from the Governor’s discretionary appropriation totaling \$92,350,000. Pursuant to Public Act 96-0956, Section 10 of Article 41, these funds were to be expended at the discretion of the Governor for operational expenses, awards, grants, and permanent improvements to fund programs and services provided by community-based human service providers and for state funded human service programs. We noted:

The Authority did not expend nearly \$66 million of the Governor’s FY11 discretionary appropriations from the GRF in the year appropriated for expenditure, including \$1,125,504 of administrative expenditures the Authority paid in FY12-13. Further, we tested 48 grants funded by FY11 discretionary appropriations and noted 44 (92%) grants totaling \$21,389,408 were not obligated in FY11. Interagency agreements between the Office of the Governor and the Authority stated the delegated funds could be expended by the Authority in FY11 through the end of the lapse period.

The Authority provided internally prepared documents detailing the planned usage of lump sums as understood from their communications with the Governor’s office. According to that documentation, the \$92,350,000 in discretionary appropriations was allocated among the Authority’s programs and fiscal years as follows:

<u>Program</u>	<u>FY11 Lump Sum</u>	<u>Fund</u>
Neighborhood Recovery Initiative (FY11 Allocation)	\$33,500,000	318
Neighborhood Recovery Initiative (For FY12 Allocation)	\$11,050,000	318
Safety Net Works (FY11 Allocation)	\$3,900,000	318
Safety Net Works (For FY12 Allocation)	\$4,000,000	318
General Revenue Fund Violence Prevention Grants	\$700,000	318
Authority Fund 184 Grants (For FY12)	\$1,400,000	184
Special Projects	\$37,800,000	318
Total Discretionary Funds Received in FY11	\$92,350,000	

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For the Two Years Ended June 30, 2012

12-1. **FINDING** (Governor's Discretionary Appropriation Noncompliance - Continued)

During FY11, all Authority discretionary funds were transferred from the GRF to the appropriated Violence Prevention (184) Fund and the non-appropriated Special Projects (318) Fund and were considered "expended" even though all funds had not been used or granted out. At the end of the FY11 lapse period, discretionary funds totaling \$65,962,962 had not been disbursed by the Authority.

In FY12, \$51,415,938 of those remaining funds had been expended, resulting in a remaining balance of \$14,547,024 to roll over for FY13. In FY13, \$8,749,128 of the remaining funds had been expended prior to the Authority being consolidated with the Illinois Criminal Justice Information Authority (ICJIA). The Authority's remaining balance of Governor's discretionary appropriations of \$5,797,896 was transferred to the ICJIA.

The State Constitution (Article VIII, Section 2(b)) empowers the General Assembly by law to make appropriations for all expenditures of public funds by the State. The State Finance Act (30 ILCS 105/25(a)) states all appropriations shall be available for expenditure within the fiscal year appropriated. Public Act 96-0956 appropriated \$1.236 billion to the Office of the Governor in FY11 for delegation to other State agencies, boards, or commissions to be expended, at the Governor's discretion, for operational expenses, awards, and grants. Public Act 96-0959, Section 1-10, required such discretionary appropriations to be expended in accordance with all relevant laws that would apply had the amounts been appropriated directly to the agency, board, or commission for that purpose. Further, the interagency agreement section C.2 permitted expenditure of the discretionary appropriations during FY11. Also, 30 ILCS 105/35, which was specifically incorporated into the interagency agreements, provides that "When any State agency receives a grant or contract from another State agency from appropriated funds the recipient agency shall be restricted in the expenditure of these funds to the period during which the grantor agency was so restricted...".

Authority management stated the interagency agreements regarding the Governor's lump sum transfer of \$92,350,000 were drafted by the Governor's Office of Management and Budget (GOMB) and presented to the Authority for signature. Authority management stated they relied upon written correspondence sought and received from GOMB legal counsel, which stated "to be clear on the use of the lump sum funds, we believe that shifting the money to funds would be "spending" the money for purposes of C.2 of the IGA [intergovernmental agreement]; however, to move the money beyond those funds, additional spending authority would be needed after FY11, unless the funds somehow do not need approp [appropriation] authority." Authority officials therefore considered the lump sum expended in FY11 upon the funds' transfer to the Authority.

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SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-1. **FINDING** (Governor's Discretionary Appropriation Noncompliance - Continued)

Failure to use discretionary appropriations in the correct fiscal year constitutes noncompliance with State law, circumvents the legislature's authority, and prevents the use of excess State GRF funds where most needed in the appropriated fiscal year. (Finding Code No. 12-1)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority ensure all payments comply with any fiscal year limitations on expenditure.

AUTHORITY RESPONSE

ICJIA agrees, in part, with the response. ICJIA respectfully disagrees with the recommendation as it relates to IVPA's transfer of funds to its non-appropriated account. The Comptroller's website sets forth the purpose of Fund #318. Specifically, it provides ICJIA (and, previously, IVPA) with the authority to distribute monies into, and make disbursements out of, Fund #318 for the following purposes: "To receive and record grant monies for the cease fire program. Monies in the fund may be expended for violence reduction purposes and to coordinate efforts for the application of a public health approach to violence." IVPA effected the expenditure of FY11 discretionary funds by depositing those discretionary funds into Fund #318, consistent with the purpose of the Fund "to receive...grant monies." This was done prior to the end of the FY11 lapse period in accordance with IA [the interagency agreement] and the fiscal year limitation on the discretionary lump-sum appropriation. Subsequent disbursements out of Fund #318 were lawfully made in accordance with the purpose of the Fund and did not require additional appropriation authority because Fund #318 is a non-appropriated fund. Accordingly, those disbursements were not subject to the fiscal year limitations applicable to the initial appropriation.

AUDITOR'S COMMENT

The non-compliance issue reported here is that the carryover and subsequent expenditure of the FY11 appropriated funds into FY12 and FY13 violated fiscal year limitations that attach to appropriated funds. Neither the lawful transfer of discretionary funds to a non-appropriated fund, nor the subsequent disbursement of those funds in accordance with the purpose of the non-appropriated fund, can circumvent fiscal year limitations attached to appropriated funds.

The appropriation to the Governor's Office was made in P.A. 96-956, an FY11 appropriations bill. The transfer was made pursuant to three interagency agreements between the Governor's Office and the Authority, each of which specifically provided

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12-1. **FINDING** (Governor's Discretionary Appropriation Noncompliance - Continued)

AUDITOR'S COMMENT (CONTINUED)

that the transferred monies may be expended "from the effective date [of the interagency agreement] through the end of the FY11 lapse period."

Section 25 (a) of the State Finance Act provides "[a]ll appropriations shall be available for **expenditure** for the fiscal year or for a lesser period if the Act making that appropriation so specifies." Section 25 (b-2.5) of the State Finance Act permitted "[a]ll outstanding liabilities as of June 30, 2011, payable from appropriations that would otherwise expire at the conclusion of the lapse period for fiscal year 2011. . . may be **paid out** of the expiring appropriations until December 31, 2011, without regard to the fiscal year in which the payment is made, as long as vouchers for the liabilities are received by the Comptroller no later than August 31, 2011." [30 ILCS 105/25 (a) and (b-2.5)]

According to ICJIA, the transfer of the appropriated monies from GRF to the non-appropriated Fund 318 constituted an "expenditure" for purposes of the fiscal year limitation. ICJIA further argues that once monies from the FY11 appropriation were deposited into the non-appropriated fund, they could be used without regard to fiscal year limitations.

In interpreting the statutory meaning of Section 25 of the State Finance Act, the meaning of "expenditure" and/or "paid out" must be considered. As noted by the Attorney General in an opinion dated December 31, 2008 (Opinion No. 08-004): "The term 'expended' is not defined in the [Illinois Medical District] Act or any other Illinois statute, nor have Illinois courts construed its meaning. Undefined statutory terms must be given their ordinary and popularly understood meaning. . . Other state courts have determined that 'expended' means: 'to pay out, or lay out, use up, disburse... '". According to Webster's New World Dictionary of the American Language Second College Edition, the word "expend" means "to spend" or "to consume by using; use up." Arguably, since the balance of funds was still in the Authority's custody and control and was in fact not used up or obligated for its appropriated purpose, the funds were not "expended" in FY11 and, therefore, should have lapsed at the end of FY11.

This interpretation is supported by language in the interagency agreements between the Governor's Office and the Authority through which the transfers from GRF to Fund 318 took place. There were three successive interagency agreements: (1) dated 10/7/10 in the original amount of \$19,000,000 and amended on 1/7/11 to \$38,100,000; (2) dated 6/22/11 in the amount of \$16,450,000; and (3) dated 6/29/11 in the amount of \$37,800,000. Each of these agreements contained the following restriction: "Delegated funds may be expended by IVPA from the effective date through the end of the FY11 lapse period." If it were the understanding of the Governor's Office that the transfer itself

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12-1. **FINDING** (Governor's Discretionary Appropriation Noncompliance - Continued)

AUDITOR'S COMMENT (CONTINUED)

constituted a full expenditure of the funds, then this language would be rendered meaningless.

The interagency agreements also stated that the "disbursement of monies from the above-described appropriations is subject to all applicable laws and regulations of the State of Illinois, including, without limitation, Public Act 96-0959, **30 ILCS 105/35**, and all such laws and regulations that provide for the oversight, management and/or audit of matters related to the use of delegated funds" (*emphasis added*). 30 ILCS 105/35 states:

When any State agency receives a grant or contract from another State agency from appropriated funds the recipient agency shall be restricted in the expenditure of these funds to the period during which the grantor agency was so restricted and to the terms and conditions under which such other agency received the appropriation, and to the terms, conditions and limitations of the appropriations to the other agency.

The appropriation to the Governor's Office in Article 41, Section 10, was for FY11. Pursuant to 30 ILCS 105/35 - which was specifically incorporated into the contract between the Governor's Office and the Authority - the expenditure of the funds by the Authority was limited to the period which the Governor's Office had to expend them, namely FY11. Under 105/35, the contractual mechanism of an interagency agreement could not be used to circumvent fiscal year limitations that otherwise attached to the original recipient of the appropriated funds.

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For the Two Years Ended June 30, 2012

12-2. **FINDING** (Inadequate Controls over the Grant Awarding Process)

The Illinois Violence Prevention Authority (Authority) did not ensure adequate internal controls and compliance over the grant awarding process.

During Fiscal Years (FY) 2011 and 2012, the Authority expended \$46,384,832 for awards and grants, excluding Neighborhood Recovery Initiative Grants. We tested grant awarding for 14 programs: Bullying Prevention, Bullying Prevention Evaluation, Collaborative, Choose Respect, Choose Respect Evaluation, Ceasefire, Family Violence Coordination Council, Illinois Health Cares, Regional Family Leadership and Support, Safe from the Start, Safe from the Start Evaluation, Say It Out Loud, Safety Net Works, and Special Projects. Eighty-seven grant agreements were tested for compliance with grant award requirements, including: 8 competitive, 44 non-competitive/non-renewal, 30 non-competitive/renewal grant agreements, and 5 interagency agreements. We also tested 14 grant proposals from six different grant programs which were denied during FY11/12.

During our testing, we noted the following weaknesses related to grant awarding:

- The Authority did not maintain documentation of grant procurement postings to the Authority's website. As a result, auditors were unable to determine if eight (100%) competitive Requests for Proposals (RFP) tested were posted to the website and if applicants were given 30 days from the date of posting to submit applications. In addition, auditors were unable to verify if 69 (100%) grant awards tested were posted as required.

The Illinois Administrative Code (Code) states RFP's shall specify the deadline for the submission of applications, which shall provide applicants with 30 days from issuance to respond (89 Ill. Adm. Code 1400.120(b)). All RFP's for general distribution, other than RFP's issued to renewal applicants, will be posted on the Authority's website. In addition, the Code requires a list of all grant awards to be posted on the Authority's website (89 Ill. Adm. Code 1400.120(d)).

Authority management stated the required postings were completed by the Authority. However, the website postings were subsequently taken down and documentation was not maintained to demonstrate compliance.

- A Notice of Intent indicating the applicants' intention to submit a grant application as required by the RFP was not included in 5 of 21 (24%) grant files, including 2 of 8 (25%) competitive grants awarded totaling \$210,000. Authority officials stated the Notices of Intent were received but misplaced by the Authority.

The Code (89 Ill. Adm. Code 1400.130) requires a grant application be submitted in a format prescribed by the Authority, which would include submission of Notice of Intent forms required by the RFP.

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ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-2. **FINDING** (Inadequate Controls over the Grant Awarding Process - Continued)

- The Authority awarded \$1,757,431 to entities which submitted grant applications 1 to 171 days past the due date as set forth in the RFP's for 16 of 69 (23%) grants, including 3 competitive grants. In addition, documentation was not maintained to support whether applications were received by the due date as set forth in the RFP's for four non-competitive grants totaling \$141,119.

The Code (89 Ill. Adm. Code 1400.120(b)) states the RFP shall specify the deadline for the submission of applications. Each RFP stated, in bold, "Proposals must be received no later than" the due date. Proposals were allowed to be submitted via fax, email, or US mail.

Authority management stated some collaborative, non-competitive, and renewal applications were accepted late to account for potential mail delays, due to the nature of these grants, or upon grantee request. Management also stated they could not find approval documentation for some extensions granted, including late renewal applications and one competitive proposal where they received fewer responses than the number of grants available. For a competitive grant application which was 66 days late, management stated the proposal provided for testing was a revised final application for which the original grant application could not be found.

- Grant application review, scoring, and documentation were incomplete for some grant applications tested. The Code states "all applications submitted by eligible applicants will be reviewed by a review committee for completeness and accuracy. Applications recommended for funding will be presented by staff for Authority approval" (89 Ill. Adm. Code 1400.120(c)). We noted:

- Grant applications were reviewed and scored by one Authority employee instead of a committee as required by the Code for 32 of 83 (39%) proposals. Thirty-one of these applicants were awarded initial grants totaling \$11,820,199.

Authority management noted administrative rules for grants were first implemented in FY11 and were previously untested for clarity. Management stated their approach, and the intent of the Code requirement, was for a committee to meet to discuss one or two reviewers' assessments of grant applications and make final recommendations, although all committee members would not be required to read each application. Management also stated the second score sheet for a denied application was misplaced.

- Scoring sheets were not prepared or maintained for 11 of 83 (13%) grant applications tested. Ten of these applicants were awarded initial grants totaling \$554,350.

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12-2. **FINDING** (Inadequate Controls over the Grant Awarding Process - Continued)

Management stated the scoring process was always performed; however, the scoring sheets were misplaced for five applications. For six grants, management stated applications were reviewed, but scoring sheets were not completed due to the unique nature of Family Violence Coordinating Councils (Councils) headed by the chief judge of each circuit. However, we noted no documentation of review was provided and the Code does not exclude any grant applications from the review requirement.

- We noted some grants were not properly approved by the Authority's Board subsequent to application review as required by administrative rules. The Code (89 Ill. Adm. Code 1400.120(c)) states "All applications submitted by eligible applicants will be reviewed by a review committee for completeness and accuracy. Applications recommended for funding will be presented by staff for Authority approval" based on five specific criteria to be considered in determining which applications to fund and the amount to be awarded: funding availability, application completeness and accuracy, degree to which RFP specifications were met, regions served, and the applicant's compliance with prior grant requirements (89 Ill. Adm. Code 1400.140).
- One hundred ten FY11/12 one-time special projects grants totaling \$22,350,000 and fourteen FY11 Safety Net Works grants totaling \$3,924,000 were recommended to receive funding and were approved by the Board prior to application review. The Board's approval was contingent upon subsequent review and approval of budgets and applications by a review committee. The Board authorized the Safety Net Works multi-agency team to review and approve grants up to the prior grant amount.

According to Board minutes, the Authority was asked by the Governor's Office to administer one-time special projects grants to specific agencies for violence prevention programs in their communities utilizing lump sum funds allocated by the Governor's Office for this purpose. Officials stated Safety Net Works grant renewals were approved prior to committee review because this program was a multi-agency effort and the committee included knowledgeable agencies also represented on the Authority's Board.

- Authority staff recommended and the Board approved a \$19,500 Council renewal grant to the wrong entity, which was the previous fiscal agent for the judicial circuit.

Management stated the funding recommendation document for the grant was not updated to reflect the change in the fiscal agent due to oversight.

- One of 76 (1%) grants tested was awarded grant funds in excess of the amount

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approved by the Authority. The Authority approved funding for FY11 Safety Net Works renewals only up to the amount the grantees received in FY10. We noted the FY11 award for one grant exceeded the prior grant amount by \$600. Management stated the excess grant amount was awarded due to oversight.

- The Authority-issued Council RFP did not specify all information required to be submitted by applicants as prescribed by the Authority's administrative rules. The Authority awarded grants totaling \$1,747,171 to 23 Councils during FY11/12, primarily used for Council coordinators and federal arrest grants.

Authority rules (Code) (89 Ill. Adm. Code 1400.120(b)) states "the Authority shall issue an RFP for each grant program administered." In addition, the Code (89 Ill. Adm. Code 1400.130(a)) required the Authority to prescribe the format of grant applications, which shall include a current certificate of good standing with the Secretary of State and a proposal narrative that includes: a description of the applicant's capacity to perform the proposed activities, a description of the community area and the population to be served or reached by the proposed activities, a description of the staffing and management plan associated with conducting the proposed activities/services, when applicable, and resumes of staff to be funded with grant funds. These elements were missing from Council grant applications prescribed by the Authority.

Authority management stated some grant application requirements were excluded from Council applications because these were unique, non-competitive grants to chief judge-led councils in each court circuit.

- The terms of grant agreements varied from RFP terms for 6 of 69 (9%) grants tested totaling \$133,419, including 2 competitive grants totaling \$52,800. The grant period differed by 15 days to 3 months longer than RFP terms, as well as one grant agreement which began 3 months later than RFP requirements.

The Code (89 Ill. Adm. Code 1400.120(b)) states "the RFP shall specify...program requirements particular to the grant program for which the applicant is requesting funds." Each RFP detailed the grant period for services to be performed. Good internal controls would require the RFP to agree in every material aspect to the final grant agreement to prevent the grantor from drastically altering requirements or timetables as understood by all applicants, which may have affected applicants' proposals or decision to apply for grants.

Authority management stated subsequent to RFP issuance, the Authority determined a different funding period was appropriate which was reflected in the grant agreements.

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Management stated they believed these changes from the RFP terms were acceptable if reflected in the final grant agreement.

- Nine of 50 (18%) initial grant awards tested, totaling \$992,967, were not issued for 12 month periods as required by the Code. These discrepancies included grant periods ranging from 4 to 24 months. Further, three of these grant agreements were subsequently amended to extend the grant period to 18 or 24.5 months.

The Code (89 Ill. Adm. Code 1400.120(e)) requires initial grant awards to be issued for a 12 month period. The Grant Funds Recovery Act states, “no grant funds may be made available for expenditure by a grantee for a period longer than 2 years” for grant funds advanced (30 ILCS 705/5).

Authority management stated they interpreted Code requirements to allow initial grants to be issued up to a 12 month period. Management stated they needed the 12.5 month grants to start in FY11 and they wanted these grants to continue through all of FY12; the official believed the divergence was not substantial. Authority management stated the 14 to 24.5 month grant periods were due to an oversight. Management stated subsequent amendments were considered grant renewals and not part of the initial grant period.

- The Authority did not send applicants a notification of grant award within seven days after Board approval for 46 of 73 (63%) grants with initial awards totaling \$16,389,900. Notices ranged from 11 to 213 days late.

The Code (89 Ill. Adm. Code 1400.120(d)) states that “applicants to be awarded grants will be notified within seven days after the date of approval by the Authority.”

Authority management stated FY11/12 was an enormously busy period with substantial growth in the Authority’s scope of work, and occasional delays occurred as a result. For special project grants and Safety Net Works grant renewals, officials stated the grants were recommended to receive funding contingent upon approval of applications and budgets. Management stated Council award notifications were sent with the grant agreements, which weren’t always finalized within seven days. Officials stated other award letters were sent once the applications and budgets were approved, but could not provide documentation of those approval dates.

- For 10 of 14 (71%) denied grant applications tested, no documentation was maintained or provided of the grant denial date. As a result, we could not determine whether applicants were notified of denial within 30 days after the date of Authority determination as required.

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The Code (89 Ill. Adm. Code 1400.120(d)) states “Applicants who are not awarded funds will be notified within 30 days after the date of Authority determination.”

Authority officials stated they deemed Board approval of the recommended grantees rendered a denial status to applicants not awarded. However, applications not recommended to the Board for funding were denied at an earlier date by staff in committee meetings. We noted neither Board minutes nor any other support provided by the Authority documented the date of application denial.

- Eight of 19 (42%) renewal grants, with initial awards totaling \$825,580, were renewed although the grantee had not complied with reporting provisions of previous grant agreements as required by the Code for grant renewals. Prior quarterly, mid-year, and close-out financial and activity reports for four grant renewals were submitted from 60 to 189 days late. Other prior reports ranged from 9 to 35 days late. Further, a \$20,000 grant was renewed to evaluate the Choose Respect grant program, although the required close-out activity report for the prior grant had not been submitted. In addition, reporting compliance could not be determined for a \$123,900 renewal due to undocumented report receipt dates.

The Code (89 Ill. Adm. Code 1400.120(e)) states, in order to receive renewal grants from the Authority, applicants must have complied with previous grant agreements. Furthermore, the Code states the Authority shall consider the applicant’s history of compliance with programming, reporting and accounting requirements in determining which applications to fund and the amount to be awarded to funded applicants (89 Ill. Adm. Code 1400.140(e)). The Choose Respect evaluation grant agreement section 2.d required a close-out report covering the entire grant period detailing activities conducted, participants involved, expenditures, and any revisions of timetables and activities to reflect the current program status and future activity.

Authority management stated they did not interpret the Code to prohibit grant renewal due to prior grant noncompliance. Management stated they did not consider noncompliance serious enough to discontinue funding, and instead worked with grantees to improve compliance.

The State Records Act (Act) (5 ILCS 160/8) requires agencies to make and preserve adequate and proper records of decisions to protect the legal and financial rights of the State and persons directly affected by the agency’s activities. The Act also requires that agencies maintain a records management program which provides effective controls over the maintenance of records in the conduct of business and that agency electronic records are retained and accessible for the duration of the approved retention period (5 ILCS 160/9).

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12-2. **FINDING** (Inadequate Controls over the Grant Awarding Process - Continued)

Lack of compliance and strong internal controls over grant awards decreases the Authority's accountability for grant awards and increases the likelihood that errors or impropriety in the award process could occur and not be detected. Lack of documentation for RFP's, applications, award decisions and approval dates, and untimely notification of award decisions limits transparency and accountability and may subject an agency to legal liability or questions regarding the fairness of the grant award process. Failure to consistently enforce RFP and application requirements, including required Notice of Intent filings, due dates, and RFP grant terms, may result in an unfair advantage for some grant applicants and may increase the likelihood of grant recipients who also do not comply with reporting requirements, due dates, or provisions of grant agreements. Renewal of grants despite grantee noncompliance with prior grants violates the Code and increases the likelihood that grant recipients will not comply with reporting requirements, due dates, or provisions of grant agreements. Lack of compliance with rules for grant application contents, committee proposal reviews, Board award approvals, and statutory and administrative rule limitations on grant terms reduces accountability and may increase the risk of inconsistency in evaluations and approval of substandard applications. (Finding Code 12-2)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority (ICJIA) maintain strong internal controls over the grant awarding process. Specifically, ICJIA should:

- maintain documentation regarding website grant award postings and application materials received;
- document the date applications and reports are received and reviewed;
- timely review applications and notify applicants of award decisions;
- prepare and maintain support for grant award and denial review, evaluation, decisions, and related dates;
- ensure grant agreements materially agree to stated proposal requirements;
- ensure grantees have materially complied with prior grant agreements, including accountability for unexpended grant funds, prior to renewing grants; and
- comply with statutory and administrative rules for grant application, submission, evaluation and approval, or seek statutory or rule changes.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation. ICJIA's existing internal controls over the grant awarding procedures already contain the OAG recommendations.

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12-3. **FINDING** (Inadequate Controls over Grant Administration)

The Illinois Violence Prevention Authority (Authority) did not demonstrate adequate control over the grant administration and monitoring processes.

During Fiscal Years (FY) 2011 and 2012, the Authority expended \$46,384,832 for awards and grants, excluding Neighborhood Recovery Initiative (NRI) grants. We tested 70 FY11/12 vouchers totaling \$17,644,318, as well as grant administration and monitoring related to 15 programs: Bullying Prevention, Bullying Prevention Evaluation, Collaborative, Choose Respect, Choose Respect Evaluation, Ceasefire, Family Violence Coordination Council, Illinois Health Cares, Regional Family Leadership and Support, Safe from the Start, Safe from the Start Evaluation, Say It Out Loud, Safety Net Works, Social and Emotional Learning Standards Professional Development Project, and Special Projects. Ninety-eight grant agreements were tested, including: 8 competitive, 44 non-competitive/non-renewal, 30 non-competitive/renewal grant agreements, and 5 interagency agreements. Eleven of these non-NRI agreements were limited to testing of the grant payments: 1 competitive, 1 non-competitive/non-renewal and 9 non-competitive/renewal payments. We also tested 14 grant proposals from 6 different grant programs which were denied during FY11/12.

The Grant Funds Recovery Act, Authority administrative rules, and/or grant agreements governed the terms of service, payment, deliverables, monitoring, grant recovery, and enforcement for grants awarded. Grant agreements designated the funds from which grant payments were required to be made. During our testing, we noted 8 of 92 (9%) grant agreements in our sample required funds to be advanced from the General Revenue Fund and/or Violence Prevention funds, but were instead paid from the Special Projects Fund. Further, we noted the following weaknesses related to grant administration and monitoring:

- Sixty-three of 71 (89%) grant agreements tested, totaling \$18,090,418, were not entered into in a timely manner. The grant agreements were executed between 6 and 113 days after the first day of the grant period, including five grants executed 90 or more days late.

Authority management stated they delayed grant execution in some instances because they had not yet received the Governor's discretionary appropriation funds and, therefore, could not file the grant agreements and obligate the funds. Also, management believed signing contracts after the start of the grant period was an acceptable practice, though not necessarily preferred.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires that all State agencies establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance resources are used efficiently, effectively, and in compliance with law; and funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. Good internal

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12-3. **FINDING** (Inadequate Controls over Grant Administration - Continued)

controls require execution of a written grant agreement prior to the start of the grant period to obtain grantee compliance certifications, to protect the entities' legal interests, and to ensure both parties understand their rights, responsibilities, deliverables, and due dates.

- The Authority approved grantee budget reallocation requests after the grant funds were spent and the grant period had ended for 5 of 29 (17%) grant agreements tested. Reallocated amounts totaled \$27,511 and the requests for reallocation were made from 27 to 120 days after the end of the grant period.

Authority management stated they approved reallocations after the grant period ended which reflected actual expenditures that were consistent with the overall budget plan and did not exceed the total project budget. Management stated they recognized budgets were estimates of expenditures and grantees sometimes did not realize that they needed a reallocation until they prepared the report.

The Illinois Administrative Code (Code) (89 Ill. Adm. Code 1400.200(c)) requires grantees to expend funds in accordance with the contracted budget or in accordance with Authority reallocation procedures. The Code (89 Ill. Adm. Code 1400.240(b)) gives the grantee the responsibility to identify instances in which funds cannot be used in accordance with the grant agreement budget and requires the grantee to seek reallocation of these funds utilizing the Authority's procedures. In addition, section 6 of the grant agreements state that unless the grantee obtains the prior written consent of the Authority, the grantee shall not incur any expense or financial obligation from the grant award except as authorized by the project budget.

- The Authority did not ensure grant payment dates and amounts complied with the grant agreement payment schedules for 40 of 81 (49%) grant agreements tested, totaling \$10,648,978, and 4 of 15 (27%) lapse period non-NRI grant payments tested, totaling \$173,442. Payments were made or requested from 163 days early to 132 days late based on report receipt dates, since report approval dates were not documented. Further, two payment amounts differed from the contractually required amounts by \$2,131 and \$5,120. Due to a lack of both report receipt dates and review dates, auditors were unable to determine required payment dates for three payments, including one payment made 188 days before the report triggering payment was due.

Authority management stated some payments were made early because the State of Illinois was having difficulty funding payments from the General Revenue Fund, with delays up to 180 days. Management stated they generated payments early in order to ensure grantees had the funds in a reasonable time frame to continue the work of the program. Management stated other payments were delayed as the submitted quarterly reports required multiple revisions, although officials could not provide documentation

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of revised report receipt and approval dates. Management stated oversight, staff absences, holidays, untimely receipt of the Governor's discretionary appropriation, and combining payments resulted in other early and late grant payments. Authority personnel stated the \$2,131 underpayment was due to insufficient funds in the agency's General Revenue Fund appropriation at the time of payment. The Code (89 Ill. Adm. Code 1400.230(a)) states the grant agreement serves as the formal statement of mutual expectations between the Authority and the grantee, including the grant award amount and payment schedule.

- The Authority did not ensure accuracy, enforce, or document enforcement of reporting provisions of grant agreements, as noted below:
 - Three of 60 (5%) grant agreements tested, totaling \$747,171, required full activity reports, which were not submitted to the Authority as required. The grantees only submitted financial reports, but not activity reports, to the Authority on a quarterly basis. The agreements also required submission of activity reports to the Department of Human Services (DHS).

Authority management stated they forgot to remove the activity report requirement from the standard grant agreement for these Safety Net Works grants. Management stated DHS, not the Authority, was responsible for the collection and review of program activity reports for Safety Net Works grants.

- The Authority did not follow up or maintain documentation of their follow up with grantees that did not submit timely financial and activity reports. For 19 of 60 (32%) grant agreements tested, auditors noted at least one report submitted more than seven days late and which had no documentation of the Authority's attempts to obtain the reports. Reports ranged from 8 to 189 days late and many other reports had no receipt date so the timeliness could not be determined.

Management stated staff routinely followed up with phone calls after reports were one week late, but did not always document follow up. Management stated they were not aware they should document follow up efforts.

The Code (89 Ill. Admin. Code 1400.250(a)) states that grantees shall submit to the Authority financial and activity reports on a timetable specified in the Request for Proposal and grant agreement. The reports shall detail activities conducted, participants involved, expenditures and revisions of timetables and activities to reflect the current program status and future activity. Furthermore, the Code and the grant agreements require the submission of financial and activity reports to the Authority no later than 15 days following the end of the report period and 30 days following the end of the grant.

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12-3. **FINDING** (Inadequate Controls over Grant Administration - Continued)

- The Authority did not timely recover or repay unspent grant funds. The Illinois Grant Funds Recovery Act (Act) (30 ILCS 705/5) requires that any grant funds not expended or legally obligated by the end of the grant agreement must be returned to the grantor agency within 45 days. Furthermore, the Act (30 ILCS 705/6) states that “the grantor agency making the grant shall take affirmative and timely action to recover all misspent or improperly held grant funds.” The Act states “no grant funds may be made available for expenditure by a grantee for a period longer than 2 years...” (30 ILCS 705/5). We noted the following:

- The Authority did not make timely attempts to recover unexpended funds at the end of the grant period and to close out grants for 4 of 17 (24%) agreements tested. Recovery attempts began from 47 to 419 days after the 45 day statutory recovery period had ended for unexpended amounts totaling \$72,328.

Management stated late recovery attempts were caused by oversight and the amount of time required to determine the final unexpended amount due to errors and adjustments in final reports, which were due 30 days after the end of the grant period.

- The Authority did not recover or return grant money received from the Illinois State Board of Education (ISBE) within 45 days of the end of the grant term. The Authority was charged with the issuance and monitoring of the grant funds to a sub-grantee. The sub-grantee had unexpended funds of \$74,452 at the end of the grant period at June 30, 2011. The Authority did not send a letter to seek recovery of the funds until December 1, 2011. The sub-grantee returned the funds on December 23, 2011 but the Authority did not approve the return of these grant funds to ISBE until February 3, 2012, 173 days after the unexpended funds were statutorily required to be returned to ISBE.

Management stated that once the Authority received the unspent funds from its sub-grantee, the Authority modified the close-out report to ISBE. Once ISBE was notified grant funds had not been fully expended, ISBE issued a request for the funds within two weeks. Management stated the funds were not returned to ISBE until the Authority received ISBE’s request for the funds.

- The Authority performed a site visit for only one of the 40 (3%) grant agreements tested, despite issues with grantees that should have warranted closer monitoring, including late or incomplete financial and activity reports. The Authority relied on desk reviews of financial and programmatic reports to monitor grantee performance and expenditures. The grant agreements allowed the Authority to conduct site visits to observe grantee operations, and site visits are an important monitoring tool to ensure proper compliance with grant terms.

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12-3. **FINDING** (Inadequate Controls over Grant Administration - Continued)

Management stated the Authority did not have the staff resources to perform regular site visits as had been the process in the past. Upon receiving funding for NRI, the Authority's number of grants increased dramatically and the staff could not perform regular site visits.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires that all State agencies establish and maintain a system of internal fiscal and administrative controls, which shall provide assurance that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

- The Authority did not appear to devote sufficient time, resources, or long-term planning needed to properly implement the significant increase in grant programs and funding during FY11/12. The Authority's 2008-2012 Strategic Plan dated July 14, 2010 focused on \$4.5 million in funding for grant programs. The Authority increased expenditures from approximately \$8.4 million for grants in FY10 to over \$30 million and \$63 million, respectively, on grant programs in FY11/12. The Authority had adopted formal administrative rules for grant procedures on July 22, 2010.

We noted a significant number of internal control weaknesses and instances of noncompliance related to grant awarding, administration, and monitoring, including: missing documentation, incomplete and untimely application review or approvals, variances from RFP's, grant agreements executed months after the start date, payments and grant renewal in advance of receipt of deliverables, untimely and incomplete monitoring reports lacking approval dates, lack of site visits, unapproved budget reallocations, and untimely recovery of unspent grant funds.

Management stated "the audit period was a time of enormous increase in responsibility and activity during which the Governor's Office asked IVPA to implement two very large programs with the Governor's lump sum discretionary dollars. IVPA, even as expanded, was a very small agency with limited capacity. The volume of contracts, paper and money processing and monitoring activity increased significantly and staff were pushed to the limits working very hard to implement these complex programs responsibly." Management also stated the audit identified aspects of the rules that needed clarification or revision or for which they were uncertain how compliance would be defined and measures would be tested.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal controls to provide assurance resources are used efficiently, effectively, and in compliance with law and funds are safeguarded against waste, loss, unauthorized use and misappropriation. Good internal controls require agency management, not external parties, identify and ensure compliance with applicable laws and rules.

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12-3. **FINDING** (Inadequate Controls over Grant Administration - Continued)

The State Records Act (5 ILCS 160/8) requires each agency to preserve records containing adequate and proper documentation of the functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

Failure to properly administer and monitor awards and grants decreases the Authority's accountability over funds granted and increases the risk of noncompliance with the provisions of the grant agreement, which could result in funds being utilized for activities other than their intended purpose, as well as delays in recovering unused funds. (Finding Code No. 12-3)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority (ICJIA) strengthen controls over the grant administration and monitoring processes. Specifically, we recommend ICJIA adhere to adopted grant administration rules, policies, and procedures and maintain documentation to demonstrate compliance with grant administration and monitoring. Grant agreements should be executed prior to the beginning of the grant period. Further, ICJIA should monitor grantees by timely performing and documenting follow-up on delinquent programmatic and financial reports, site visits, and recovery or return of unspent grant funds, including limiting future funding until grant agreement terms are met. Finally, ICJIA should ensure staff devotes sufficient time, resources, and planning necessary to properly implement any significant expansion in grant programs.

AUTHORITY RESPONSE

ICJIA partially agrees and partially disagrees with this recommendation. ICJIA's existing grant administration and monitoring procedures already contain the recommendations and we continue to improve and refine our processes. We do disagree with the recommendation that grant agreements be executed prior [to] the beginning of the grant period. ICJIA's practice does require approval of contracts for all its grants through a multi-level approval process. Delays in approval may occasionally result from negotiating details of the contract budget or its narrative description of the program to be implemented, delays in grantees returning grant contracts or providing other required information or material to ICJIA such as certifications, proof of 501(c)(3) status, DUNS registration and similar materials in the original review process or at execution stage, delays in returning contracts executed by the grantee for execution by ICJIA, occasional periods during [the] ICJIA yearly grant cycle when many grants are being processed for signature at the same time or other occasional staffing issues. ICJIA does not accept the recommendation that providers only be allowed to initiate services after an executed contract has been approved. While this is a requirement under the procurement code for most procurements, grants are excepted from that code requirement. There are cogent

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- 12-3. **FINDING** (Inadequate Controls over Grant Administration - Continued)

AUTHORITY RESPONSE (CONTINUED)

reasons for this exclusion. Often, grant contracts are being processed that are continuation grants for programs that are in operation. When there are delays in execution of a continuation contract for whatever reason, it would not be good policy to require the grantee to halt the program until the contract can be executed. ICJIA's grant contract sets forth the performance period for the grant and provides that ICJIA may reimburse a grantee for activities engaged in before execution of the contract, as long as those activities are within the performance period. In the case of such a continuation grant but most especially in respect of new grant programs, a grantee or potential grantee that engages in grant program activities before a contract is actually executed does so at its own risk. In the event that no contract is executed, ICJIA will not and is not required to provide reimbursement for activities undertaken in expectation of a grant. The type of obligations under ICJIA's grant contracts are covered by the Statute of Frauds which require that certain types of contracts be in writing to be enforceable, and prohibits enforcement of alleged verbal agreements. In its approximate 30 years of existence, ICJIA has never been subject to such a claim.

AUDITOR'S COMMENT

While ICJIA officials indicate that delays in grant approvals may happen "occasionally," the auditors would characterize the failure to timely approve 89 percent of agreements as routine, not "occasional". Furthermore, ICJIA's response does not explain five grants executed over 90 days late, or 35 other grants executed over 30 days late.

ICJIA officials detailed reasons they believe justify starting services prior to grant execution. However, it is not reasonable for services to start before the contract budget, program description, eligibility, and compliance certifications are established to ensure grant activities and expenditures meet expectations.

Although ICJIA officials contend that delays in executing a continuation contract prior to commencement of services could require the grantee to halt a program temporarily, the auditors note the initial one to two year grant period allows sufficient time for the agency to anticipate and plan for grant renewals. Moreover, the auditors noted only 22 percent of the late grant executions tested related to grant renewals; the vast majority of late executions related to new grants where services were provided without a written agreement.

Furthermore, as reported in the finding, Authority management intentionally delayed execution of some grants because they had not yet received the Governor's discretionary appropriation funds and, therefore, could not file the grant agreements and obligate the

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12-3. **FINDING** (Inadequate Controls over Grant Administration - Continued)

AUDITOR'S COMMENT (CONTINUED)

funds. During our examination, Authority management also justified late grant execution as a common and acceptable State practice.

Programs should be properly planned and staffed so that the need to allow grantees to begin work before an agreement is approved does not even become an issue. Allowing a grant provider to work without an executed approved agreement, even though it is not prohibited by the Procurement Code, is a bad business practice and exposes both the State and the grantee to unnecessary risks (such as if State funds are not spent as intended).

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12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative)

The Illinois Violence Prevention Authority (Authority) had pervasive deficiencies in the planning, implementation, and management of the Neighborhood Recovery Initiative (NRI) program.

NRI is a program designed to reduce risk factors associated with violence. In August 2010, the Governor's Office gave the Authority the responsibility to develop a framework for the program as well as administer and oversee the program. The program served 23 communities in Cook County. In each of these communities, the Authority contracted with a lead agency which was responsible for managing the NRI program in their community and partnering and subcontracting with other community organizations to implement the various program components. The 23 lead agencies, in turn, contracted with 99 coordinating partners and 120 providing partners (community partners) to provide NRI services.

The Authority received \$55 million for Years 1 and 2 of the NRI program (from October 2010 through October 2012). The monies were used to fund the four major NRI program components designed to rebuild "Illinois' most vulnerable neighborhoods and protect youth by offering more jobs and education opportunities." The four components were Mentoring Plus Jobs, Parent Leadership, School-Based Counseling, and Reentry.

The Office of the Auditor General conducted an in-depth Performance Audit of the NRI program, for which the resulting report is being released in conjunction with the compliance examination report for the Authority. The performance audit noted pervasive deficiencies in the planning, implementation, and management of the NRI program:

- The NRI program was hastily implemented, which limited the time the Authority had to adequately plan for and implement the program.
- The Authority did not have adequate staff responsible for critical NRI program functions, such as monitoring and administration, prior to or up to 406 days after implementation.
- The Authority lacked documentation on the selection of communities to be served by NRI, and the communities selected for NRI were not all the most violent in terms of total crime in the Chicago area.
- The Authority did not conduct due diligence to document that the decisions related to the selection of lead agencies were free of any conflict of interest, the appearance of conflict of interest or that the agencies selected were the best entities to provide the needed services.
- The Authority's scoring of the Request for Proposal (RFP) submissions identified numerous deficiencies, including evaluation forms with inconsistent criteria, unscored criteria, changed scoring, and undated evaluations.

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12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

- The Authority failed to timely approve and document approval of contracts for NRI services with community partners after execution or prior to the commencement of work.
- The budgeting and quarterly reporting processes were ineffectively implemented by many of the community agencies and not effectively monitored by the Authority, thereby significantly reducing their usefulness as a management control over financial reporting.
 - After Year 1 of the NRI programs ended, the Authority continued to amend the budgets for Year 1 funds.
 - Quarterly reports were originally submitted late for 62% of lead agencies and 42% of coordinating and providing partners.
 - Quarterly reports were inaccurate and agencies made multiple revisions, even though agencies had certified the accuracy of originally reported information.
 - Although approval was required before agencies could reallocate their funds to other expense lines, 70% of reallocations lacked approval documentation and 17% lacked justifications as to why the reallocations were needed.
- The Authority lacked documentation to show that they took steps necessary to correct deficiencies by community partners in contractually required staffing levels.
- The Authority failed to enforce contractual provisions regarding the maintenance of timesheets for Mentoring Plus Jobs and Parent Leadership staff: 35% of tested agencies did not maintain timesheets and 22% had partial support for timesheets.
- The Authority failed to monitor lead agency personnel, as detailed in contractual requirements, assigned to the NRI grant. The lack of monitoring resulted in \$1.4 million in questioned personnel costs charged to the State grants.
- The Authority failed to monitor provider staff that worked for either multiple providers or for providers that provided services in multiple settings to ensure the State was not paying for more than 100 percent of the individual's time.
- The Authority allowed providers of reentry services to serve a population that fell outside the contractually required age range for 12% of those that received reentry services.
- The Authority did not adequately monitor the performance of 78% of NRI communities, which failed to maintain the contractually required caseloads for reentry services.
- The Authority did not complete or maintain 38% of required background checks in the agency files.
- Auditors questioned 40% (\$1,771,522) of NRI expenses at 23 tested providers due to lack of support for reported amounts and unallowable expenses.

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12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

- The Authority utilized a grant recovery process that failed to timely recover unspent NRI funds.
- The Authority failed to enforce provisions of an intergovernmental grant agreement for an NRI Evaluation Project, including submission of deliverables and community partner data and timeline compliance.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain systems of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law; and funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of decisions of the agency. The NRI RFP detailed the scoring and award criteria. Contracts and grant agreements for NRI services detailed the requirements for compliance, administration, oversight, and grant funds recovery. Administrative rules (89 Ill. Adm. Code 1400.120(e)) state, in order to receive renewal grants from the Authority, applicants must have complied with previous grant agreements.

Among the underlying causes for issues identified in the Performance Audit was the fact that the NRI program was on a very fast track for implementation. Further, quarterly reports alerted Authority officials to issues with grantees not meeting contractual requirements, but the auditors saw no evidence that the Authority addressed these issues.

Inadequate planning, implementation and management of the NRI program demonstrates a lack of oversight, reduces accountability, and increases the likelihood that State funds are not expended as approved or the intended program impact may suffer. Failure to prepare and maintain consistent and complete documentation brings decisions into question, decreases transparency over the process, and may expose both the grantee and the State to increased risk. (Finding Code No. 12-4)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority implement the recommendations of the Performance Audit of State Moneys Provided Through the Illinois Violence Prevention Authority to the Neighborhood Recovery Initiative.

Chapter 2 - Neighborhood Recovery Initiative – Planning

Recommendation 1: ICJIA should ensure that any changes to the NRI program are adequately planned, documented and communicated, before implementation.

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- 12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the planning process undertaken by IVPA. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report is "not sufficient to fully describe and give context to the planning process undertaken by IVPA." ICJIA was first provided this finding and recommendation on October 15, 2013. At the exit conference on January 15, 2014, ICJIA requested we add additional explanation regarding the planning process. Given that ICJIA provided no documentation at the exit conference that fully supported these activities, we communicated to ICJIA if they wanted additional planning details included in the audit report, they were free to include these additional details in its written responses, which ICJIA chose not to do.

Recommendation 2: ICJIA should accurately develop budgets for each year of NRI and not make changes to previous year budgets after that year is completed.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Recommendation 3: ICJIA should ensure that decisions regarding the NRI program are adequately documented. Additionally, if decisions are to be made by non-State personnel, ICJIA should require conflict of interest disclosures be completed for any non-State personnel that are involved in the decision making process for the NRI program.

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- 12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the selection process undertaken by IVPA to identify lead and provider agencies. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report is not sufficient to "fully describe and give context to the selection process" IVPA utilized to identify lead and provider agencies. The audit report discloses the use of non-State personnel (Chicago aldermen) as an integral part of that selection process. The audit report also accurately describes that IVPA took no steps to ensure that the non-State personnel involved in the selection process were free of any real or perceived conflicts of interest.

Recommendation 4: ICJIA should follow scoring award criteria and complete the same evaluations for all NRI community agencies.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report do not make an appropriate distinction between a competitive selection process and a non-competitive selection process, as IVPA employed. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

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- 12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

AUDITOR’S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “make an appropriate distinction between a competitive selection process and a non-competitive selection process.” The audit report clearly notes that a competitive process was not required and that a competitive process was not used. The report does note, however, that once the lead agencies were selected, for reasons that were not documented, IVPA issued an RFP to select agencies for the NRI program and only sent it to those agencies which were already selected by the non-competitive process. The audit also noted that IVPA’s scoring of the proposals had numerous deficiencies.

Recommendation 5 – ICJIA should utilize a payment method for NRI that is tied to actual expenditures of State dollars and not quarterly reports that are subsequently revised. Additionally, ICJIA should ensure that payments for NRI are only made pursuant to the contractual agreement.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Recommendation 6 – ICJIA should take the steps necessary to enforce provisions of contractual agreements involving evaluation of the NRI program. Further, ICJIA should require community partners to comply with contractual agreements and submit the required data for evaluation or seek to remove the community partners from the program. ICJIA should also consider tying payments to contractual deliverables to ensure work is not only completed but also completed according to the agreed upon dates. Given the investment the State has in the NRI program, ICJIA should conduct an evaluation of how effective the NRI program has been in reducing violence levels in the applicable communities that received funding.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation in part. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority

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AUTHORITY RESPONSE (CONTINUED)

(IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA has evaluated and will continue evaluations of the ICJIA CVPP program which is the successor to NRI. ICJIA will hold lead and provider agencies to their contractual obligations regarding data reporting and will take progressive corrective action up to and including termination of a contract if other corrective actions are unsuccessful. ICJIA will ensure that contractual obligations regarding evaluation contracts will be enforced and if circumstances require, will enter into contract amendments to document any agreements to modify the original contract terms and schedules. ICJIA will require lead and subcontracting provider agencies to submit data as called for in contracts. ICJIA will further tie payments to deliverables. ICJIA does not agree that overall community violence levels are an appropriate measure of the effectiveness of a discrete program such as NRI or CVPP. NRI provided direct services in the way of jobs and mentoring to about 1700 youth and jobs to 1600 adults per year, parenting skills services to roughly 1,000 parents per year, counselling services to over 3600 youth over the two years, and re-entry services to almost 600 young people returning to the community from correctional facilities. NRI services were provided to between 1 and 2 per cent of the population in the NRI communities. ICJIA is in the process of developing a long term outcome evaluation to determine whether individuals participating in the CVPP have lower rates of criminal involvement and other measures of improved social outcomes.

AUDITOR'S COMMENT

The audit report does not recommend using "overall community violence levels" to measure the effectiveness of the NRI program. The only place overall community violence levels are discussed in the report is to determine, as required by House Resolution No. 1110, whether residential communities with crime rates similar to communities selected to participate in the NRI program were excluded from the program.

The audit report does recommend an evaluation of the effectiveness of the program in reducing violence. NRI was a violence prevention program. The IVPA had a \$498,000 contract with the University of Illinois "for purposes of data analysis and evaluation" of the NRI program. The U of I contract did not require an assessment of the program's impact on violence. In a discretionary program as large as the NRI program, simple logic would suggest management would want to know, and should be able to show, whether the \$55 million program was having its desired impact.

Chapter 3 – Neighborhood Recovery Initiative – Personnel

Recommendation 7: ICJIA should enforce provisions of the NRI contracts with lead agencies and ensure it is aware of the staff assigned to conduct NRI activities under the State grant.

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- 12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the staff monitoring process undertaken by IVPA. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP. However, ICJIA generally only identifies individuals hired under grants by job title and not by name to avoid any appearance that ICJIA favors certain individuals in its grant process.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not "fully describe and give context to the staff monitoring process undertaken by IVPA." IVPA developed the contractual requirement that staffing changes were to be reported within 10 days. Our analysis found that providers did not comply with this contractual requirement and it was not enforced by IVPA.

Recommendation Number 8 – ICJIA should either ensure that providers hire the required number of positions for NRI or determine if other levels need to be memorialized in contractual agreements. Additionally, when quarterly reports show problems with hiring practices, ICJIA should document how those problems are resolved.

AUTHORITY RESPONSE

ICJIA agrees, in part, with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the hiring of NRI staff and participants. ICJIA further notes that the recommendation is generally consistent with current ICJIA practices. However, with regard to service programs, ICJIA sets goals in its contracts rather than absolute contractual requirements for numbers of participants and

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AUTHORITY RESPONSE (CONTINUED)

requires agencies to provide an explanation when such goals are not met, and will do the same with regard to CVPP.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “fully describe and give context to the hiring of NRI staff and participants.” The IVPA developed contracts and design of Mentoring Plus Jobs and Parent Leadership in Action Network components required the providers to hire certain specific staffing levels. The State fulfilled its end of the agreement by providing the funding for the full amount of the staffing design to the lead agencies. IVPA failed to enforce these contractual requirements.

Recommendation Number 9 - ICJIA should ensure that NRI providers maintain contractually required timesheets on staff that perform NRI activities. Additionally, ICJIA should be consistent with respect to timesheets in all contractual agreements for NRI.

AUTHORITY RESPONSE

ICJIA partially agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA, particularly as to the youth and parents who participate in the program. As to providers, ICJIA will evaluate whether each provider’s current timekeeping policy and documentation is sufficient under the grants.

Recommendation 10 - ICJIA should take the necessary steps to gather and monitor information to ensure that individuals are not paid in excess of 100 percent of their time for work on NRI and other State grant programs.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation generally but does note that there may be instances, as the Audit Report notes, where an individual may legitimately be putting in more than full time employment (more than 40 hours per week) but ICJIA will monitor such situations carefully. ICJIA will require that it be notified whether any individual employed as a result of ICJIA’s CVPP is being paid under more than one grant from ICJIA or other granting agency and will require that those individuals submit timesheets to ICJIA so that any potential abuses may be identified.

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- 12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

Chapter 4 - Neighborhood Recovery Initiative - Monitoring

Recommendation 11: ICJIA should ensure it has documentation to support how communities are selected for NRI State grant monies before expending any funds on any programs.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to any additional communities that might be added to CVPP. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. As to existing CVPP communities, they have already been selected and ICJIA is not contemplating terminating services in those areas in light of the infrastructure and community organization collaborations which have been built up in the last several years. ICJIA has begun and will continue efforts to have organizations in the existing communities formally expand their catchment areas to provide services to individuals from other communities in need, though not presently a named CVPP community, a practice which some agencies have already begun.

Recommendation 12: ICJIA should ensure that approval of all contracts for NRI services is maintained and that timely approvals are completed. Additionally, ICJIA should only allow providers to initiate NRI services after an executed contract has been approved.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation, in part, for the CVPP. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA's practice does require approval of contracts for all its grants including the CVPP contracts through a multi-level approval process. Delays in approval may occasionally result from negotiating details of the contract budget or its narrative description of the program to be implemented, delays in grantees returning grant contracts or providing other required information or material to ICJIA such as Civil Rights and EEOC Certifications, proof of 501 (c)(3) status, DUNS registration and similar materials in the pre-execution review process or at execution stage, delays in returning contracts executed by the grantee for execution by ICJIA, occasional periods during ICJIA's yearly grant cycle when many grants are being processed for signature at the same time or other occasional staffing issues. ICJIA respectfully disagrees with the recommendation that providers only be

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AUTHORITY RESPONSE (CONTINUED)

allowed to initiate services after an executed contract has been approved. While this is a requirement under the Illinois Procurement Code for most procurements, grants are exempt from that Code requirement. There are cogent reasons for this exclusion. Often, as is the case with CVPP, grant contracts are being processed that are continuation grants for programs that are in operation. When there are delays in execution of a continuation contract for whatever reason, it would not be good policy to require the grantee to halt the program until the contract can be executed. ICJIA's grant contract sets forth the performance period for the grant and provides that ICJIA may reimburse a grantee for grant project activities engaged in before execution of the contract, as long as those activities are within the performance period. In the case of such a continuation grant, but most especially with respect to new grant programs, a grantee or potential grantee that engages in grant program activities before a contract is actually executed does so at its own risk. In the event that no contract is executed, ICJIA will not and is not required to provide reimbursement for activities undertaken in expectation of a grant. The type of obligations under ICJIA's grant contracts are covered by the Statute of Frauds which require that certain types of contracts be in writing to be enforceable, and prohibits enforcement of alleged verbal agreements. In its approximate 30 years of existence, ICJIA has never been subject to such a claim.

AUDITOR'S COMMENT

While ICJIA officials indicate that delays in grant approvals may happen "occasionally," auditors would not characterize the failure to timely approve 40 percent of agreements as "occasional". Furthermore, ICJIA's response does not explain the 32 NRI contracts that showed no evidence of IVPA approval. Programs should be properly planned and staffed so that the need to allow grantees to begin work before a contract is approved does not even become an issue. Allowing a grant provider to work without an executed approved agreement, even though it is not prohibited by the Procurement Code, is a bad business practice and exposes both the State and the grantee to unnecessary risks (such as if State funds are not spent as intended).

Recommendation 13: ICJIA should ensure that lead agencies are appropriately monitoring partner agencies. ICJIA should require that lead agencies require partner agencies to submit quarterly reports that are timely and accurately approved and certified. Additionally, ICJIA should consider collecting and reviewing all supporting documentation to ensure State resources are appropriately expended on the NRI program.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence

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AUTHORITY RESPONSE (CONTINUED)

Prevention Program (CVPP) currently administered by ICJIA, that it should ensure that lead agencies are appropriately monitoring partner agencies. ICJIA further agrees with the recommendation that lead agencies require partner agencies to submit reports that are timely and accurately approved and certified. ICJIA has considered the question of whether it should (and can) collect and review all supporting documentation and has determined that it would simply not be feasible to do so with existing grant and other staff. However, ICJIA will be requiring lead agencies to assume a more active role in monitoring activities of provider agencies. In addition to reviewing quarterly provider fiscal and program progress reports, lead agencies will continue to be required to have monthly site meetings with each of their provider agencies. ICJIA will require lead agencies to document those meetings and the matters discussed. The lead agencies will be required for each such meeting to pick one area of expenditures, to discuss the expenditures with the provider agency, and to require that supporting documentation be produced to support the claimed expenditure.

Recommendation 14: ICJIA should enforce contractual provisions for the population of Reentry participants that should be served by providing partners for the NRI program. Additionally, ICJIA should examine which providers are not serving the contractually required number of Reentry participants and look to adjust funding to levels that are more appropriate to actual service levels.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA however notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the reentry payment process by IVPA. ICJIA is working with the Department of Corrections and the Department of Juvenile Justice and will work with probation departments to determine as accurately as possible the number of reentry eligible participants that can be expected in each community. ICJIA notes that recordkeeping by some of those entities is by zip code rather than community and zip codes may overlap one or more community areas which may present difficulties in absolutely accurate determinations. ICJIA has expanded the range of ages eligible for CVPP services and will enforce those age limits for reimbursement claims by the provider agencies.

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AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “fully describe and give context to the reentry payment process by IVPA.”

Recommendation 15: ICJIA should ensure that all required background checks have been completed for the NRI program by developing procedures to check, at least on a test basis, provider compliance with this contractual provision. Additionally, ICJIA should consider requiring some form of background check on the youth employed in the program to ensure that they are individuals that can truly assist the NRI program goal to decrease violence.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA however does not accept all assertions of fact, implications and conclusions contained in the Audit Report as to requiring background checks with respect to all adults or all youth employed by the program. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

AUDITOR'S COMMENT

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that it does not accept the report's conclusions as to “requiring background checks with respect to all adults or all youth employed by the program.” Regarding background checks on adults, the audit report simply recommends that background checks required by the contract be done. Regarding youth, the audit report recommends that ICJIA should consider performing some sort of background check. Its non-acceptance of the report's conclusions on this matter is puzzling given that in its response, ICJIA states it agrees with the recommendation and that it is consistent with current ICJIA practices.

Recommendation 16: ICJIA should follow the contractual provisions detailed in NRI contracts when processing/approving budget reallocations. Further, ICJIA should take the necessary steps to make guidance for reallocation approvals consistent with contractual provisions.

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AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA will continue to follow its current budget revision practices, which are compliant with this recommendation.

Recommendation 17: ICJIA should include sections in all grant agreements for NRI, including those between lead agencies and sub-partners, to protect the State against misuse of State funds and should exercise the State's right to request capital equipment be returned to the state when it is no longer used for its intended purposes.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. For its grants, ICJIA contracts do address capital equipment. These contracts indicate that ICJIA has discretion to allow the grantee to keep the equipment past the end of the grant period if it is going to be used for a purpose consistent with the purpose of the grant. Similar provisions will apply to CVPP.

Recommendation 18: ICJIA should develop procedures for its own review of expense support for NRI activities as well as procedures for lead agencies to utilize in monitoring expenses for NRI.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that it has such policies in place for all of its grants and is in the process of refining those

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

- 12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

AUTHORITY RESPONSE (CONTINUED)

for CVPP after its first year of experience with the program. While it is not feasible for ICJIA or the lead agencies to require the submission of all supporting documentation for all expenditures, ICJIA will be requiring site visits by the lead agencies to the individual providers, and for the lead agency to examine, on a test basis, a reported expenditure and to examine supporting documentation for the expenditures, and to provide ICJIA with documentation that the procedure has been followed.

AUDITOR'S COMMENT

Contrary to our recommendation, ICJIA's response indicates that its planned action will be to continue to delegate its expenditure monitoring responsibilities to lead agencies, with ICJIA only receiving documentation that lead agencies are following established procedures. Our recommendation calls for ICJIA to become more proactive in its oversight of the expenditure of State funds by developing "procedures for its own review of expense support for NRI activities . . ." [emphasis added], in addition to improving lead agencies' expense review procedures. During the audit period, IVPA delegated expenditure review responsibility to the lead agencies. Based on site visits conducted by OAG auditors, which found insufficient supporting documentation for 40 percent of expenditures incurred by 23 provider agencies, auditors concluded that ICJIA needed to significantly improve its oversight of expenditures. Clearly, relying solely on lead agencies to review NRI expenses has not been an effective control.

Recommendation 19: ICJIA should enforce contractual provisions relative to collection of unspent grant funds for the NRI program to ensure all unspent funds are returned to the State in a timely manner. Also, ICJIA should reconsider any NRI policy which allows rollover of unspent funds from a year to a subsequent year for NRI activities.

AUTHORITY RESPONSE

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes the recommendations are consistent with its normal grant practices. ICJIA notes that it is actively pursuing collection activities for unspent, unreturned NRI funds including use of Grant Fund Recovery Act proceedings where appropriate.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

- 12-4. **FINDING** (Inadequate Planning, Implementation and Management of the Neighborhood Recovery Initiative - Continued)

AUDITOR'S COMMENT

The Performance Audit Report acknowledges ICJIA's recovery efforts. However, 22 of the 50 providers (as detailed in Appendix E of the Performance Audit Report) that owed unspent funds back to the State (totaling \$1.2 million) at the end of Year 2 were still in the Program during Year 3. It is concerning that these amounts would still be uncollected as of January 15, 2014, 396 days after they were due based on contractual agreements and the Grant Funds Recovery Act.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-5. **FINDING** (Inadequate Controls over Filing of Statements of Economic Interest)

The Illinois Violence Prevention Authority (Authority) did not exercise adequate controls over the filing of Statements of Economic Interest.

During testing, the auditors noted the following internal control weaknesses:

- One employee failed to file a Statement of Economic Interest for Fiscal Year 2011. This employee was omitted from the list of employees required to file submitted to the Secretary of State for the Authority.
- Six of six (100%) Statements of Economic Interest filed by Authority employees designated the Office of the Attorney General, instead of the Authority, as the office or position of employment for which the statements were filed.

The Illinois Governmental Ethics Act (Act) (5 ILCS 420/4A-101(f)) requires certain employees, including those who are an agency head, or have supervisory authority over, or responsibility for, formulation, negotiation, issuance, or execution of contracts over \$5,000, to file a Statement of Economic Interest with the Secretary of State. The Act (5 ILCS 420/4A-105) requires a statement to be filed by May 1 of each year by each person whose position at that time subjects him to the filing requirements. The Act (5 ILCS 420/4A-103) also requires Statements of Economic Interest to include each office or position of employment for which the statement is being filed.

Authority officials stated the failure to notify the Secretary of State of one manager required to file a Statement of Economic Interest was due to misunderstanding the reporting timeframe for new employees required to file. Management also stated the Attorney General's office handled all of the Authority's human resource functions, including Statements of Economic Interest. Management stated Authority employees were reported to the Secretary of State as part of the Attorney General's employee group; therefore, the Statement of Economic Interest forms sent to Authority staff for completion listed the Office of the Attorney General as the employer.

Failure to notify the Secretary of State of a new employee required to file a Statement of Economic Interest led to the failure to file the required statement and prevents transparency and detection of conflicts of interest.

Economic interest statements filed by Authority employees were reviewed by the Ethics Officer at the Office of the Attorney General. Identification of the wrong office of employment could result in a failure of the Ethics Officer to identify conflicts of interest with Authority business. (Finding Code No. 12-5)

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

- 12-5. **FINDING** (Inadequate Controls over Filing of Statements of Economic Interest - Continued)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority ensure a reviewed Statement of Economic Interest is filed by each required employee, designating the correct employer for which conflicts of interest are required to be disclosed. We also recommend the agency report to the Secretary of State any new employees subject to the reporting requirement hired by May 1 and inform those employees of the Economic Interest Statement requirement.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation. ICJIA's existing processes to ensure proper filing of Statements of Economic Interests already contain the OAG recommendation.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-6. **FINDING** (Inadequate Controls over Recording and Reporting of State Property)

The Illinois Violence Prevention Authority (Authority) did not maintain adequate controls over recording and reporting of State property.

The Agency Report of State Property (Form C-15) reports filed with the Office of the Comptroller contained several inaccuracies and discrepancies, including:

- Eight of eight (100%) quarterly C-15's tested did not record the ending equipment balance per Agency records under the category "Amount per GAAP" as required by the Statewide Accounting Management System (SAMS).
- The Authority improperly categorized equipment transferred to the Department of Central Management Systems (CMS) as deletions during two quarters of Fiscal Year 2011. The equipment transfers, totaling \$14,699, consisted of various office furniture, microwaves, and computer equipment. Due to the Authority incorrectly categorizing the transfer of equipment, the Authority did not report on the C-15 transfer information documenting the receiving agency and the total dollar amount of equipment transferred.
- The Authority reported equipment transferred out to CMS as transfers in on the Form C-15 for 2 of 8 (25%) quarters.
- The Authority did not record the purchase of three equipment items with an acquisition cost of \$754 in the property records and corresponding Form C-15. The items consisted of educational materials utilized for training and an office chair.

In addition, the Authority was unable to locate three of 40 (8%) property items selected for detail testing, totaling \$723. These items, consisting of training videos, were confirmed as lost by the Authority.

Furthermore, property records did not identify the individual and location to whom two laptop computers, valued at \$1,280, were assigned.

Statewide Accounting Management System (SAMS) Procedure 29.20.10 details requirements for each agency to properly report all additions, deletions, and transfers to the Office of the State Comptroller on the Form C-15. This procedure requires that the ending balance of equipment be reported quarterly and specifies that transfers, not deletions, should include items that have been sent to DCMS surplus property. In addition, the procedure requires the Authority to report the dollar amount of the asset transfers and the name of the State agency(s) involved. Per SAMS, if the balance of net transfers is negative, it must be shown in brackets.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-6. **FINDING** (Inadequate Controls over Recording and Reporting of State Property - Continued)

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all agencies to establish and maintain internal fiscal and administrative controls to provide assurance property is safeguarded against loss, transfers of assets are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the State's resources.

The State Property Control Act (30 ILCS 605/4) requires every State agency maintain accountability for the supervision, control, and inventory of all property under their jurisdiction.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires agencies to update property records within 30 days of acquisition, change, or deletion of equipment items.

Authority officials stated the ending property balance was not reported on C-15s due to lack of awareness of this SAMS requirement. Officials stated the other noted deficiencies were due to competing priorities and employee oversight.

Failure to maintain and report accurate, timely property information and controls over equipment reduces the accountability over assets and increases the likelihood that theft or loss could occur and not be prevented, detected or corrected. (Finding Code No. 12-6)

RECOMMENDATION

We recommend the Illinois Criminal Justice Information Authority maintain and timely report accurate property information.

AUTHORITY RESPONSE

ICJIA agrees with this recommendation. ICJIA's existing controls for recording and reporting State property already contain the OAG recommendation.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2012
 - Schedule of Appropriations, Expenditures, and Lapsed Balances – Fiscal Year 2011
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation of Cash Receipts to Deposits
 - Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending

- Analysis of Operations (Not Examined):
 - Agency Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Board Members (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2012 and June 30, 2011 supplementary information in Schedules 1 through 9. However, the accountants do not express an opinion on the supplementary information. The accountants' report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

SCHEDULE 1

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2012

Eighteen Months Ended December 31, 2012

P.A. 97-0065 & 97-0686	Appropriations (Net of Transfers)	Expenditures Through 6/30/2012	Lapse Period Expenditures 7/01-12/31/12	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS					
General Revenue Fund - 001					
Contractual Services	\$ 30,000	\$ 15,703	\$ 4,315	\$ 20,018	\$ 9,982
Illinois Family Violence					
Coordinating Council Program	598,300	562,753	35,455	598,208	92
Bullying Prevention	300,000	1,960	254,512	256,472	43,528
Neighborhood Recovery Initiative	10,000,000	7,433,223	2,379,214	9,812,437	187,563
Violence Prevention Grants	1,583,900	626,619	957,281	1,583,900	-
Subtotal - Fund 001	\$ 12,512,200	\$ 8,640,258	\$ 3,630,777	\$ 12,271,035	\$ 241,165
Violence Prevention Fund - 184					
Personal Services	\$ 510,100	\$ 492,502	-	\$ 492,502	\$ 17,598
State Contribution to State					
Employees' Retirement System	174,400	147,668	-	147,668	26,732
State Contributions to Social Security	39,100	35,875	-	35,875	3,225
Group Insurance	151,100	128,747	-	128,747	22,353
Contractual Services	8,400	6,579	1,800	8,379	21
Travel	6,000	3,399	114	3,513	2,487
Commodities	3,000	2,829	44	2,873	127
Printing	1,000	642	251	893	107
Equipment	1,000	429	-	429	571
Electronic Data Processing	3,000	2,689	186	2,875	125
Telecommunications	8,000	4,340	1,006	5,346	2,654
Grants per Violence Prevention Act of 1995	1,200,000	1,014,927	-	1,014,927	185,073
Subtotal - Fund 184	\$ 2,105,100	\$ 1,840,626	\$ 3,401	\$ 1,844,027	\$ 261,073

SCHEDULE 1

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2012

Eighteen Months Ended December 31, 2012

	Appropriations (Net of Transfers)	Expenditures Through 6/30/2012	Lapse Period Expenditures 7/01-12/31/12	Total Expenditures	Balances Lapsed
DHS Special Purpose Trust - 408					
Community Grants	\$ 5,698,100	-	-	-	\$ 5,698,100
Family Violence Prevention	4,977,500	-	-	-	4,977,500
Subtotal - Fund 408	<u>\$ 10,675,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 10,675,600</u>
Preventive Health and Health Service - 873					
Sexual Assault Prevention Programs	\$ 500,000	-	-	-	\$ 500,000
Rape Prevention Education Programs	1,000,000	-	-	-	1,000,000
Subtotal - Fund 873	<u>\$ 1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1,500,000</u>
Total Appropriated Funds	<u>\$ 26,792,900</u>	<u>\$ 10,480,884</u>	<u>\$ 3,634,178</u>	<u>\$ 14,115,062</u>	<u>\$ 12,677,838</u>
NON-APPROPRIATED FUNDS					
Illinois Violence Prevention Authority					
Special Projects Fund - 318					
Voices For Illinois Children		225,474	-	225,474	
State Board of Education Grant		407,936	-	407,936	
Safety Net Works Grant Program		1,711	2,266	3,977	
Governor's Neighborhood Recovery Initiative		22,902,993	2,802,831	25,705,824	
Grants and Operations for Special Projects		23,918,700	368,094	24,286,794	
US Dept. of Justice Violence Against Women		15,339	2,239	17,578	
Refund to Voices for IL Children		22,531	-	22,531	
Total Non-Appropriated Funds	<u>\$ 47,494,684</u>	<u>\$ 3,175,430</u>	<u>\$ 6,809,608</u>	<u>\$ 50,670,114</u>	<u>\$ 64,785,176</u>
GRAND TOTAL - All Funds	<u>\$ 57,975,568</u>	<u>\$ 6,809,608</u>	<u>\$ 6,809,608</u>	<u>\$ 64,785,176</u>	<u>\$ 64,785,176</u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained directly from records of the State Comptroller and were reconciled to Authority Records.

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

SCHEDULE 2

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2011

Eighteen Months Ended December 31, 2011

P.A. 96-0956	Appropriations (Net of Transfers)	Expenditures Through 6/30/2011	Lapse Period Expenditures 7/01-12/31/2011	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS					
General Revenue Fund - 001					
Operational Expenses	\$ 30,600	\$ 16,174	\$ 1,138	\$ 17,312	\$ 13,288
Operational Expenses for Awards, Grants, and Permanent Improvements	1,686,400	1,600,796	69,251	1,670,047	16,353
Subtotal - Fund 001	<u>\$ 1,717,000</u>	<u>\$ 1,616,970</u>	<u>\$ 70,389</u>	<u>\$ 1,687,359</u>	<u>\$ 29,641</u>
Violence Prevention Fund - 184					
Personal Services	\$ 510,900	\$ 438,576	-	\$ 438,576	\$ 72,324
State Contribution to State Employees' Retirement System	154,500	122,775	-	122,775	31,725
State Contributions to Social Security Group Insurance	39,100	31,483	-	31,483	7,617
	121,600	121,206	-	121,206	394
Contractual Services	7,500	2,062	444	2,506	4,994
Travel	10,000	3,053	-	3,053	6,947
Commodities	3,000	2,595	384	2,979	21
Printing	3,000	-	461	461	2,539
Equipment	1,000	556	-	556	444
Electronic Data Processing	5,000	3,610	22	3,632	1,368
Telecommunications	2,500	2,239	173	2,412	88
Grants per Violence Prevention Act of 1995	1,200,000	875,122	79,034	954,156	245,844
Subtotal - Fund 184	<u>\$ 2,058,100</u>	<u>\$ 1,603,277</u>	<u>\$ 80,518</u>	<u>\$ 1,683,795</u>	<u>\$ 374,305</u>
Total Appropriated Funds	<u>\$ 3,775,100</u>	<u>\$ 3,220,247</u>	<u>\$ 150,907</u>	<u>\$ 3,371,154</u>	<u>\$ 403,946</u>

SCHEDULE 2

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2011

Eighteen Months Ended December 31, 2011

P.A. 96-0956	Appropriations (Net of Transfers)	Expenditures Through 6/30/2011	Lapse Period Expenditures 7/01-12/31/2011	Total Expenditures	Balances Lapsed
NON-APPROPRIATED FUNDS					
Illinois Violence Prevention Authority Special Projects Fund - 318	\$ 31,050	\$ -	-	31,050	
Blue Cross Blue Shield Grant		125,000	-	125,000	
Illinois Criminal Justice Information Authority Grant		378,830	-	378,830	
Voices For Illinois Children		808,750	62,045	870,795	
State Board of Education Grant		88,812	189,537	278,349	
Safety Net Works Grant Program		44,303	-	44,303	
Safety Net Works Grant (Federal)		24,153,320	2,233,718	26,387,038	
Governor's Neighborhood Recovery Initiative Refunds to Voices for IL Children	60,000	-	-	60,000	
Total Non-Appropriated Funds	<u>\$ 25,690,065</u>	<u>\$ 2,485,300</u>	<u>\$ 2,636,207</u>	<u>\$ 28,175,365</u>	
GRAND TOTAL - All Funds	<u>\$ 28,910,312</u>	<u>\$ 2,636,207</u>	<u>\$ 2,636,207</u>	<u>\$ 31,546,519</u>	

Note 1: Appropriations, expenditures, and lapsed balances were obtained directly from records of the State Comptroller and were reconciled to Authority Records.

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

Note 3: In Fiscal Year 2011, the Authority received \$92.35 million from the Governor's Discretionary Appropriations. \$1.4 million was deposited into Fund 184 for violence prevention grants and \$90.95 million was deposited into Fund 318 for the Neighborhood Recovery Initiative, special projects and violence prevention grants. However, the Authority did not comply with fiscal year expenditure limitations as noted in Finding No. 12-1.

STATE OF ILLINOIS SCHEDULE 3
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2012

<u>APPROPRIATED FUNDS</u>	Fiscal Year		
	2012	2011	2010
	P.A. 97-0065 P.A. 97-0686	P.A. 96-0956	P.A. 96-0042 P.A. 96-0046
General Revenue Fund - 001			
<u>Appropriations (Net After Transfers)</u>	\$ 12,512,200	\$ 1,717,000	\$ 2,921,800
<u>Expenditures</u>			
Contractual Services	20,018	-	-
Illinois Family Violence			
Coordinating Council Program	598,208	-	-
Bullying Prevention	256,472	-	-
Neighborhood Recovery Initiative	9,812,437	-	-
Operational Expenses	-	17,312	-
Operational Expenses for Awards, Grants, and Permanent Improvements	-	1,670,047	1,609,026
Lump Sums	-	-	20,349
Governor's Discretionary Appropriation	-	-	1,163,691
Violence Prevention Grants	1,583,900	-	-
Total Expenditures	\$ 12,271,035	\$ 1,687,359	\$ 2,793,066
<u>Lapsed Balances</u>	\$ 241,165	\$ 29,641	\$ 128,734
Violence Prevention Fund - 184			
<u>Appropriations (Net After Transfers)</u>	\$ 2,105,100	\$ 2,058,100	\$ 2,081,100
<u>Expenditures</u>			
Personal Services	492,502	438,576	428,642
State Contribution to State			
Employees' Retirement System	147,668	122,775	121,678
State Contributions to Social Security	35,875	31,483	30,857
Group Insurance	128,747	121,206	104,743
Contractual Services	8,379	2,506	900
Travel	3,513	3,053	5,340
Commodities	2,873	2,979	1,635
Printing	893	461	93
Equipment	429	556	467
Electronic Data Processing	2,875	3,632	1,943
Telecommunications	5,346	2,412	2,526
Grants per Violence Prevention Act of 1995	1,014,927	954,156	1,003,958
Total Expenditures	\$ 1,844,027	\$ 1,683,795	\$ 1,702,782
<u>Lapsed Balances</u>	\$ 261,073	\$ 374,305	\$ 378,318

STATE OF ILLINOIS SCHEDULE 3
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2012

	Fiscal Year		
	2012	2011	2010
DHS Special Purpose Trust - 408			
<u>Appropriations (Net After Transfers)</u>	\$ 10,675,600	\$ -	\$ -
<u>Expenditures</u>			
Community Grants	-	-	-
Family Violence Prevention	-	-	-
Total Expenditures	\$ -	\$ -	\$ -
<u>Lapsed Balances</u>	\$ 10,675,600	\$ -	\$ -
Preventative Health and Health Service - 873			
<u>Appropriations (Net After Transfers)</u>	\$ 1,500,000	\$ -	\$ -
<u>Expenditures</u>			
Sexual Assault Prevention Programs	-	-	-
Rape Prevention Education Programs	-	-	-
Total Expenditures	\$ -	\$ -	\$ -
<u>Lapsed Balances</u>	\$ 1,500,000	\$ -	\$ -
Total Appropriated Funds			
<u>Appropriations (Net After Transfers)</u>	\$ 26,792,900	\$ 3,775,100	\$ 5,002,900
Total Expenditures	14,115,062	3,371,154	4,495,848
<u>Lapsed Balances</u>	\$ 12,677,838	\$ 403,946	\$ 507,052
NON-APPROPRIATED FUNDS			
Special Projects Fund - 318			
<u>Expenditures</u>			
Blue Cross Blue Shield Grant	\$ -	\$ 31,050	\$ 18,950
Illinois Criminal Justice Information Authority Grant (ICJIA)	-	125,000	375,000
Voices For Illinois Children	225,474	378,830	358,308
State Board of Education Grant	407,936	870,795	1,247,513
Safety Net Works Grant Program	3,977	278,349	2,874,955
Safety Net Works Grant (Federal)	-	44,303	952,005
Governor's Neighborhood Recovery Initiative	25,705,824	26,387,038	-
Grants and Operations for Special Projects	24,286,794	-	-
US Dept. of Justice Violence Against Women	17,578	-	-
Refund to Voices for IL Children	22,531	60,000	-
Refund to ICJIA Grant	-	-	8,105
Total Non-Appropriated Expenditures	\$ 50,670,114	\$ 28,175,365	\$ 5,834,836
GRAND TOTAL ALL FUNDS	<u>\$ 64,785,176</u>	<u>\$ 31,546,519</u>	<u>\$ 10,330,684</u>

Note: FY10 expenditures and lapsed balances do not include interest payments approved for payment by the Authority and submitted to the State Comptroller for payment after August.

STATE OF ILLINOIS
 ILLINOIS VIOLENCE PREVENTION AUTHORITY
 COMPLIANCE EXAMINATION
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Two Years Ended June 30, 2012

SCHEDULE 4

	Equipment
Balance, July 1, 2010	\$ 212,538
Additions	2,491
Deletions	(856)
Net Transfers	(14,698)
Balance, June 30, 2011	\$ 199,475
Balance, July 1, 2011	\$ 199,475
Additions	22,996
Deletions	(710)
Net Transfers	(975)
Balance, June 30, 2012	\$ 220,786

Note 1: This schedule has been derived from Authority records, which were reconciled to property reports submitted to the Office of the State Comptroller and the Department of Central Management Services.

Note 2: The Authority's equipment amounts presented above reflect adjustments to correct errors and discrepancies in property records and reports, as reported in Finding 12-6.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
COMPARATIVE SCHEDULE OF CASH RECEIPTS

SCHEDULE 5

For the Fiscal Year Ended June 30,

	2012	Fiscal Year 2011	2010
General Revenue Fund - 001			
Prior Year Refund	\$ 19,565	\$ 20,154	\$ 3,060
Violence Prevention Fund - 184			
Miscellaneous	\$ 17	\$ -	\$ 319
Prior Year Refund	21,700	39,362	4,267
Total - Fund 184	<u>\$ 21,717</u>	<u>\$ 39,362</u>	<u>\$ 4,586</u>
IVPA Special Projects Fund - 318			
US Department of Justice	\$ 19,500	\$ -	\$ -
Criminal Justice Trust Fund	-	-	1,493,890
Department of Children and Family Services	-	-	250,000
Illinois Department of Public Health	-	-	2,000,000
Illinois State Board of Education	499,348	-	1,295,000
Private Organization or Individual	135,600	416,800	448,800
Illinois Department of Human Services	-	-	200,000
Miscellaneous	17	-	-
Prior Year Refund	155,822	5,145	164,147
Total - Fund 318	<u>\$ 810,287</u>	<u>\$ 421,945</u>	<u>\$ 5,851,837</u>
GRAND TOTAL RECEIPTS - ALL FUNDS	<u>\$ 851,569</u>	<u>\$ 481,461</u>	<u>\$ 5,859,483</u>

SCHEDULE 6

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
**RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30,

	2012	Fiscal Year 2011	2010
General Revenue Fund - 001			
Receipts, per Authority Records	\$ 19,565	\$ 20,154	\$ 3,060
Add: Deposits in Transit, Beginning of Year	0	0	0
Less: Deposits in Transit, End of Year	0	0	0
Deposits, Recorded by the State Comptroller	\$ 19,565	\$ 20,154	\$ 3,060
Violence Prevention Fund - 184			
Receipts, per Authority Records	\$ 21,717	\$ 39,362	\$ 4,586
Add: Deposits in Transit, Beginning of Year	0	0	0
Add: Interfund Transfer	0	1,400,000	0
Less: Deposits in Transit, End of Year	0	0	0
Deposits, Recorded by the State Comptroller	\$ 21,717	\$ 1,439,362	\$ 4,586
IVPA Special Projects Fund - 318			
Receipts, per Authority Records	\$ 810,287	\$ 421,945	\$ 5,851,837
Add: Deposits in Transit, Beginning of Year	0	0	0
Add: Interfund Transfer	0	90,950,000	0
Less: Deposits in Transit, End of Year	(914)	0	0
Deposits, Recorded by the State Comptroller	\$ 809,373	\$ 91,371,945	\$ 5,851,837

STATE OF ILLINOIS SCHEDULE 7
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012

The following are explanations of significant variations in expenditures (greater than \$2,000 and 20%) by fund between the years ended June 30, 2012 and June 30, 2011:

Authority personnel provided the following explanations for the significant variations identified.

General Revenue Fund - 001

Contractual Services

The increase in expenditures was due to a change in the appropriation process for FY12. During FY12, the Authority was appropriated a specific line item for contractual services from the General Revenue Fund. In FY11, the Authority received a lump sum appropriation for operational expenditures from the General Revenue Fund.

Illinois Family Violence Coordinating Council Program, Bully Prevention, Neighborhood Recovery Initiative, and Violence Prevention Grants

The increase in expenditures was due to a change in the appropriation process for FY12. During FY11, the Authority charged most grant expenditures to the non-appropriated Special Projects Fund. During FY12, the Authority was appropriated lump sums for the noted programs from the General Revenue Fund.

Operational Expenses and Operational Expenses for Awards, Grants, and Permanent Improvements

The decrease in Operational Expenses and Operational Expenses for Awards, Grants, and Permanent Improvements expenditures was due to a change in the line items appropriated to the Authority. During FY11, the Authority was appropriated line items for Operational Expenses and Operational Expenses for Awards and Grants. During FY12, specific line items were appropriated from the General Revenue Fund.

Violence Prevention Fund - 184

State Contributions to State Employees' Retirement System

The increase in the State Contributions to State Employees' Retirement System expenditures was due to an increase in the required retirement contribution rate from 30.25% to 34.19% and an increase in employees in FY12.

Contractual Services

The increase in Contractual Services expenditures was due to professional costs related to redesign of the Authority's website.

STATE OF ILLINOIS SCHEDULE 7
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012

Telecommunications

The increase in Telecommunications expenditures was due to an increase in telecommunications services and supplies, such as additional phone lines and related service usage cost, for the increase in employees in FY12.

Special Projects Fund - 318

Blue Cross Blue Shield Grant and Illinois Criminal Justice Information Authority Grant

The decrease in Blue Cross Blue Shield Grant and Illinois Criminal Justice Information Authority Grant expenditures was due to these programs ending in FY11.

Voices for Illinois Children

The decrease in Voices for Illinois Children expenditures was due to less awards being funded for this program in FY12.

State Board of Education Grant

The decrease in State Board of Education Grant expenditures was due to decreased funding provided for this program in FY12.

Safety Net Works Grant Program and Safety Net Works Grant (Federal)

The decrease in Safety Net Works program expenditures was due to no federal funding provided and decreased funding provided from other sources in FY12.

Grants and Operations for Special Projects

The increase in expenditures was due to FY12 being the first year the special projects grants were paid from Fund 318. Special projects grants were funded by a \$46.4 million transfer of Governor's discretionary appropriations from the General Revenue Fund for FY11 expenditure. See Finding No. 12-1.

US Department of Justice Violence Against Women

The increase in expenditures was due to FY12 being the first year the program was funded by a federal grant.

Refund to Voices for Illinois Children

The decrease in expenditures was due to fewer refunds received of unspent sub-granted funds in FY12, which the Authority remitted to the program grantor.

STATE OF ILLINOIS SCHEDULE 7
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2011

The following are explanations of significant variations in expenditures (greater than \$2,000 and 20%) between the years ended June 30, 2011 and June 30, 2010.

Authority personnel provided the following explanations for the significant variations identified.

General Revenue Fund - 001

Operational Expenses

The increase in Operational Expenses was due to a change in the line items appropriated to the Authority. In FY10, the Authority had been appropriated and expended funds from the Lump Sums line item. In FY11, funds were appropriated under the Operational Expenditure line item.

Lump Sums

The decrease in Lump Sums expenditures was due to a change in the method of appropriation for the Authority. Previously, the Authority had been appropriated funds under this specific line item. In FY11, funds were appropriated under Operational Expenses.

Governor's Discretionary Appropriation

The decrease in Governor's Discretionary Appropriation expenditures was due to a change in the method of appropriation for the Authority. In FY10, the Authority received and expended Governor's Discretionary Appropriation funds in the General Revenue Fund. In FY11, the Authority charged most grant expenditures to the non-appropriated Special Projects Fund.

Violence Prevention Fund - 184

Travel

The decrease in Travel expenditures was due to cost saving measures by the Authority to reduce travel. In addition, FY11 travel related to grant programs was paid from grant programs funds.

Special Projects Fund - 318

Blue Cross Blue Shield Grant

The increase in Blue Cross Blue Shield Grant expenditures was due to final program payments being awarded and paid in FY11.

Illinois Criminal Justice Information Authority Grant

The decrease in Illinois Criminal Justice Information Authority Grant expenditures was due to the last payment for the program being made in FY11.

STATE OF ILLINOIS SCHEDULE 7
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2011

State Board of Education Grant

The decrease in State Board of Education Grant expenditures was due to a decrease in funding provided for this program in FY11.

Safety Net Works Grant Program and Safety Net Works Grant (Federal)

The decrease in Safety Net Work program expenditures was due to a decrease in funding provided from federal and other sources in FY11.

Governor's Neighborhood Recovery Initiative

The increase in expenditures was due to FY11 being the first year this program was implemented. Expenditures were funded by a \$44.55 million transfer of Governor's discretionary appropriation funds from the General Revenue Fund for FY11 expenditures. See Finding No. 12-1.

Refund to Voices for Illinois Children

The increase in expenditures was due to the Authority receiving refunds of unspent sub-granted funds for the Voices for Illinois Children program in FY11, which the Authority remitted to the grantor. No refunds were received in FY10.

Refund to ICJIA Grant

The decrease in expenditures was due to the Authority not receiving any refunds of unspent funds for the Illinois Criminal Justice Information Authority grant in FY11.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2012

SCHEDULE 8

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2011 AND 2012

The Illinois Violence Prevention Authority's (Authority) explanations for significant fluctuations in receipts in excess of 20% and \$5,000 between Fiscal Years (FY) 2011 and 2012 as presented in the Comparative Schedule of Cash Receipts are detailed below.

Violence Prevention Fund - 0184

Prior Year Refunds

Receipts for prior year refunds decreased from FY11 to FY12 by \$17,662 or 45%. The decrease was due to grantees returning less unspent grant funds than in the previous year. Refunds were expected to fluctuate between years.

Violence Prevention Authority Special Projects Fund - 0318

US Department of Justice

Receipts from the US Department of Justice increased from FY11 to FY12 by \$19,500 or 100%. The increase was due to the Authority receiving grant funding for the Arrest Grant in FY12, which the Authority did not receive during FY11.

Illinois State Board of Education (ISBE)

Receipts from ISBE increased from FY11 to FY12 by \$499,348 or 100%. The increase was due to receipt of a \$82,535 grant for FY11 received at the beginning of FY12, as well as the receipt of FY12 grant funding of \$416,813.

Private Organization or Individual

Receipts from a private organization or individual decreased from FY11 to FY12 by \$281,200 or 67%. In FY11, one organization provided \$416,800 for the Regional Family Leadership and Say it Out Loud grant awards. During FY12, only Regional Family Leadership grantees were funded.

Prior Year Refunds

Receipts for prior year refunds increased from FY11 to FY12 by \$150,676 or 2,929%. The increase was due to grantees returning more unspent grant funds than in the previous year.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2012

SCHEDULE 8

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2010 AND 2011

The Illinois Violence Prevention Authority's (Authority) explanations for significant fluctuations in receipts in excess of 20% and \$5,000 between Fiscal Years (FY) 2010 and 2011 as presented in the Comparative Schedule of Cash Receipts are detailed below.

General Revenue Fund - 0001

Prior Year Refunds

Receipts for prior year refunds increased from FY10 to FY11 by \$17,094 or 559%. The increase was due to grantees returning more unspent grant funds than in the previous year. Refunds were expected to fluctuate from year to year.

Violence Prevention Fund - 0184

Prior Year Refunds

Receipts for prior year refunds increased from FY10 to FY11 by \$35,095 or 822%. The increase was due to grantees returning more unspent grant funds than in the previous year. Refunds were expected to fluctuate from year to year.

Violence Prevention Authority Special Projects Fund - 0318

Criminal Justice Trust Fund

Receipts from the Criminal Justice Trust Fund (Trust Fund) decreased from FY10 to FY11 by \$1,493,890 or 100%. The decrease was due to the Authority not receiving funding from the Trust Fund for the Safety Net Works program during FY11.

Department of Children and Family Services (DCFS)

Receipts from DCFS decreased from FY10 to FY11 by \$250,000 or 100%. The decrease was due to the Authority not receiving funding from DCFS for the Safety Net Works program during FY11.

Illinois Department of Public Health (IDPH)

Receipts from IDPH decreased from FY10 to FY11 by \$2,000,000 or 100%. The decrease was due to the Authority not receiving funding from IDPH for the Safety Net Works program during FY11.

Illinois State Board of Education (ISBE)

Receipts from ISBE decreased from FY10 to FY11 by \$1,295,000 or 100%. The decrease was due to the Authority not receiving funding from ISBE during FY11.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2012

SCHEDULE 8

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2010 AND 2011

Illinois Department of Human Services (IDHS)

Receipts from the IDHS decreased from FY10 to FY11 by \$200,000 or 100%. The decrease was due to the Authority not receiving funding from the IDHS for the Safety Net Works program during FY11.

Prior Year Refunds

Receipts for prior year refunds decreased from FY10 to FY11 by \$159,002 or 97%. The decrease was due to grantees returning less unspent grant funds than in the previous year.

STATE OF ILLINOIS SCHEDULE 9
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2012

FISCAL YEAR 2012

Our testing of lapse period expenditures for the Fiscal Year ended June 30, 2012 disclosed appropriation line items for Fiscal Year (FY) 2012 with significant (greater than 20% and \$2,000) lapse period expenditures as described below.

Authority personnel provided the following explanations for the significant lapse period variations identified.

General Revenue Fund – 001

Contractual Services

The Authority received invoices for professional service incurred prior to June 30, 2012 but the vouchers were not paid until the lapse period.

Bullying Prevention

The Authority amended Bully Prevention grants for FY12 and grant payments were made during the lapse period.

Neighborhood Recovery Initiative

Neighborhood Recovery Initiative grants were amended in late FY12 to extend grants through October 2012. Related grant payments were made during the lapse period.

Violence Prevention Grants

The Authority awarded violence prevention grants for FY12, but grant payments were not made until the lapse period.

Special Projects Fund – 318

Safety Net Works Grant Program

The Authority received invoices for rendered professional services and goods prior to June 30, 2012 related to the Safety Net Works Grant Program but the vouchers were not paid until the lapse period.

STATE OF ILLINOIS SCHEDULE 9
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2012

FISCAL YEAR 2011

Our testing of lapse period expenditures for the fiscal year ended June 30, 2011 disclosed one appropriation line item for Fiscal Year 2011 with significant (greater than 20% and \$2,000) lapse period expenditures as described below.

Authority personnel provided the following explanation for the significant lapse period variation identified.

Special Projects Fund – 318

Safety Net Works Grant Program

The Authority awarded additional grants late in the fiscal year. Grant payments were made during the lapse period.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS (NOT EXAMINED)
For the Two Years Ended June 30, 2012

FUNCTIONS AND PLANNING (NOT EXAMINED)

The Illinois Violence Prevention Authority (Authority) was created by the Illinois Violence Prevention Act of 1995 (20 ILCS 4027/10) to address the prevention of all forms of interpersonal violence, including family violence (child abuse, domestic violence, elder abuse), youth and gang violence, sexual assault, and hate violence. The Authority took a public health and public safety approach to violence prevention and provided funding and other resources to local and statewide violence prevention efforts. The Authority was governed by a body of appointed members. The Authority was financed by General Revenue Fund appropriations, Illinois Violence Prevention Fund appropriations, as well as the IVPA Special Projects Fund, a non-appropriated account that received and expended funds associated with Interagency Agreements and other contracts.

The Authority conducted the following activities:

Planning

The Authority was responsible for developing a State Plan for the prevention of violence in Illinois. The Authority worked under the 2008 – 2012 plan, which focused on multiple priorities, including improvement of the health care system’s response to and prevention of domestic violence, sexual assault, and elder abuse; services for children exposed to violence and their families, as well as related public education and prevention efforts; engagement of youth in violence prevention efforts; evaluation of a statewide gun violence prevention program; implementing collaborative projects; and development of a five-year strategic plan focused on children and youth.

Coordinating

The Authority was responsible for coordinating violence prevention efforts in Illinois and accomplished this through initiating and/or participating in multidisciplinary, collaborative, prevention efforts conducted by members of the Authority and others, and through Interagency Agreements that authorized the Authority to administer grant programs funded by other agencies, such as the Safety Net Works Program and the Social Emotional Learning Professional Development Project. The Authority staff members were actively involved in a variety of coordinated, collaborative efforts. For example, the Authority’s Director was the Chairperson of the Children’s Mental Health Partnership. The Director of Grant Programs sat on the Council of the Chicago Safe Start Advisory Council, the Illinois Department of Human Services – Domestic Violence Advisory Council and the Illinois Suicide Prevention Alliance. The Springfield Program Developer was appointed to the Authority seat on the Illinois Suicide Prevention Alliance at the end of FY11. The Authority was also a leader in the Illinois Childhood Trauma Coalition and Illinois Health Cares.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
ANALYSIS OF OPERATIONS (NOT EXAMINED)
For the Two Years Ended June 30, 2012

Funding

The Authority administered a variety of grant programs to support local and statewide efforts to prevent violence. Grant recipients included local community agencies, public health departments, schools, law enforcement agencies, domestic violence and sexual assault programs, youth agencies and regional and statewide agencies.

Developing Resources

The Authority was responsible for developing public and private resources to support local and statewide violence prevention efforts. This included applying for and receiving federal funds, entering into interagency agreements with other State agencies and receiving grants from private organizations.

Providing Technical Assistance

The Authority was responsible for providing technical assistance to build the capacity of statewide and local violence prevention programs. This was a major priority of the Authority and was accomplished through staff support and through contracts with other entities.

Evaluating

The Authority was charged with evaluating State and local violence prevention efforts. This was accomplished through requiring funded projects to comply with the evaluation project associated with their grant program; conducting outside evaluations of certain Authority grant programs; and providing grant funding for evaluation of large initiatives such as CeaseFire.

Transfer of Responsibility to Illinois Criminal Justice Information Authority

Effective January 25, 2013, Public Act 097-1151 transferred all powers, duties, rights, and responsibilities of the Illinois Violence Prevention Authority to the Illinois Criminal Justice Information Authority. The Act transferred personnel, records, property, contracts, pending business, unexpended appropriations, balances, and funds, as soon as practicable after the Act's effective date.

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)
For the Two Years Ended June 30, 2012

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Years ended June 30, 2012, 2011, and 2010.

<u>Violence Prevention Fund (184)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Director	1	1	1
Director of Grant Programs	1	1	1
Assistant Director of Grant Programs	1	1	1
Fiscal/Contracts Manager	1	1	1
Program Developer	2	2	2
Safety Net Works Administrative Manager	0	0	1
Special Project Coordinator	0	0	1
Project Assistant	0	0	1
Office Manager	1	1	1
Assistant Fiscal Manager	1	0	0
Administrative Assistant	1	1	1
Total average full-time employees (Fund 001)	<u>9</u>	<u>8</u>	<u>11</u>

<u>Violence Prevention Special Projects Fund (318)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
NRI Program Director	0	1	0
Safety Net Works Administrative Manager	1	1	0
Safety Net Works Program Manager	1	0	0
Special Projects Grant Manager	1	0	0
Special Projects Contract Monitor	1	0	0
Assistant Special Projects Fiscal/Contract Manager	1	0	0
Project Assistant	0	1	0
Total average full-time employees (Fund 001)	<u>5</u>	<u>3</u>	<u>0</u>

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
AVERAGE NUMBER OF EMPLOYEES (NOT EXAMINED)
For the Two Years Ended June 30, 2012

AVERAGE NUMBER OF EMPLOYEES

<u>General Revenue Fund (001)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Director of Illinois Family Violence Coordinating Councils Program	1	1	1
NRI Program Director	1	0	0
NRI Program Developer	2	0	0
NRI Contract Monitor	1	0	0
NRI Assistant Grants Manager	1	0	0
NRI Administrative Assistant	1	0	0
Project Coordinator	0	0	2
Total average full-time employees (Fund 001)	<u>7</u>	<u>1</u>	<u>3</u>
TOTAL AGENCY	<u>21</u>	<u>12</u>	<u>14</u>

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
 COMPLIANCE EXAMINATION
BOARD MEMBERS (NOT EXAMINED)
 For the Two Years Ended June 30, 2012

Mandated Board Members/Designees as of June 30, 2012

BOARD MEMBERS	AGENCY
Attorney General Lisa Madigan Senior Policy Advisor on Women's Issues Wendy Cohen	Office of the Attorney General
Director LaMar Hasbrouck, MD, MPH Assistant Director Teresa Garate, Ph.D	Illinois Department of Public Health
Jennifer Martin	Illinois Department of Public Health Office of Health Promotion
Co-Chair Natalie Bursztynsky Co-Chair Charles Jefferson	Youth Advisory Board
Secretary Michelle Saddler	Illinois Department of Human Services
Executive Director Jack Cutrone Research Analyst Adriana Perez	Illinois Criminal Justice Information Authority
Executive Deputy Director Denice Murray Director Richard H. Calica	Illinois Department of Children and Family Services
Associate Director Michael Holmes	Illinois Department of Human Services, Division of Community Health & Prevention Youth & Adult Services
Associate Director of Prevention Deyon Dean	Illinois Department of Human Services Division of Community Health & Prevention
Director Ivonne Sambolin	Illinois Department of Human Services Division of Community and Health Prevention
Executive Director Vickie Smith	Illinois Coalition Against Domestic Violence
Captain Luis Gutierrez	Illinois State Police District Chicago
Chief Executive Officer Modesto Tico Valle	Center on Halsted
Director Hiram Grau	Illinois State Police
Director John Holton	Illinois Department on Aging
Bureau Chief Lois Moorman	Illinois Department on Aging Elder Rights

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
 COMPLIANCE EXAMINATION
BOARD MEMBERS (NOT EXAMINED)
 For the Two Years Ended June 30, 2012

BOARD MEMBERS	AGENCY
Director S.A. Godinez	Illinois Department of Corrections
Cherri Gass-Price	Illinois Department of Corrections Victim Services Unit
Superintendent Christopher Koch School and Mental Health Coordinator Kelly Rauscher	Illinois State Board of Education
Elizabeth Hanselman	Illinois State Board of Education Special Education
Division Chair Crystal D. Cash, MD	Provident Hospital of Cook County Department of Family Medicine Family and Community Medicine
Vice President Karen Freel	Ounce of Prevention Fund National Research & Evaluation
Division Chair Kimberly Joseph, MD, FACS, FCCM	JHS Cook County Hospital Department of Trauma Trauma ICU and Prevention
Former Vice President Robert Kieckhefer	Blue Cross/Blue Shield of Illinois Public Affairs
Jace Shoemaker-Galloway	Internet Safety Educator
Executive Director Sharon V. Canariato, MSN, MBA, RN	Illinois Organization of Nurse Leaders

STATE OF ILLINOIS
ILLINOIS VIOLENCE PREVENTION AUTHORITY
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS (NOT EXAMINED)
For the Two Years Ended June 30, 2012

During Fiscal Years 2011 and 2012, the Illinois Violence Prevention Authority (Authority):

- Completed Administrative Rules that were approved by the Joint Committee on Administrative Rules in July 2010 for the Authority grant programs.
- Targeted resources and programs to high risk groups, such as young children exposed to violence.
- Strengthened the capacity of violence prevention programs through technical assistance and program development.
- Promoted effective evaluation of violence prevention programs.
- Supported the work of Family Violence Coordinating Councils in all of the judicial circuits in Illinois.
- Continued to fund evaluation of the CeaseFire Program, which successfully reduced homicides and shootings in Chicago area communities.
- Engaged youth in violence prevention work in communities across Illinois through the Choose Respect program with the leadership and collaboration of the Authority Youth Advisory Board.
- Continued to provide ongoing leadership and funding support for the Illinois Children's Mental Health Partnership.
- Continued interagency agreements with the Illinois State Board of Education to administer the Social Emotional Learning Professional Development Project.
- Continued implementation of the Safety Net Works grants program.
- Developed and implemented two Governor's Initiatives: the Neighborhood Recovery Initiative and the Special Projects grants program.