

**LEGISLATIVE AUDIT COMMISSION**  
**Review: 4343**  
**Statewide Single Audit**  
**Year Ended June 30, 2009**  
**Illinois Department of Transportation**

**FINDINGS/RECOMMENDATIONS – 9**  
**Repeated – 6**

**Accepted – 3**  
**Implemented – 5**  
**Under Study – 1**

**Inadequate On-Site Monitoring of Subrecipients (Repeated-2005)**

**09-73. The auditors recommend IDOT develop formal policies and procedures to perform periodic on-site reviews to ensure subrecipients are administering the federal program in accordance with the applicable laws and regulations.**

**Findings:** IDOT is not performing on-site reviews and has not developed formal policies and procedures for on-site reviews for locally-let projects awarded to subrecipients receiving federal awards under the Airport Improvement Program.

During the current year, IDOT implemented procedures to perform on-site reviews of subrecipients in which IDOT is responsible for performing the procurement of the underlying goods and services. However, IDOT did not perform any on-site reviews of subrecipients for locally-let subawards. IDOT management stated that they plan to perform on-site reviews for these subawards beginning in FY10.

In discussing these conditions, IDOT officials stated they monitored subrecipients by reviewing grant applications, receiving periodic expenditure reports, reviewing invoices for noise abatement projects, and reviewing OMB Circular A-133 audit reports. Based on the prior finding, they have also implemented on-site monitoring procedures beginning in fiscal year 2009 for subawards in which IDOT is responsible for procurement and will implement on-site monitoring procedures beginning in fiscal year 2010 for locally-let subawards.

**Updated Response:** Recommendation Accepted.

The Division of Aeronautics is currently working on editing our existing Local-Let Administrative Bulletin to include on-site monitoring procedures. While all IDOT-let projects have a formal policy and procedure for project monitoring, a written policy was not in place for locally-let projects prior to June 30, 2009. This has since been rectified. It must be noted that although a policy was not strictly in place and there is no requirement for same, on-site monitoring did occur for nearly every locally-let project.

**Rail Safety Agreement Not Tested for Suspension/Debarment Certification (Repeated-2008)**

**09-78. The auditors recommend IDOT establish procedures to ensure grantees receiving individual awards for \$25,000 or more certify that their organization is not suspended or debarred or otherwise excluded from participation in federal assistance programs.**

**Findings:** During a review of 30 grant agreement notifications to subrecipients of the Highway Planning and Construction Cluster program, auditors noted IDOT did not include a suspension and debarment certification in one of the grant agreements. As a result, IDOT did not receive a certification that this subrecipient of the Highway Planning and Construction Program was not suspended or debarred from participation in federal assistance programs. Additionally, IDOT did not perform a verification check with the “Excluded Parties List System” (EPLS) maintained by the General Services Administration for its subrecipients.

**Updated Response:** Recommendation Under Study.

Upon further review it has been determined that when the Department requests a railroad to make improvements to their property in which they have a prior land right we are obligated to pay for the improvement. These types of force account agreements are not considered “procurements” because the railroad has the right to perform the work with their own forces on their own property for work that benefits the Department. These agreements fall outside the Illinois Procurement Code and 49 CFR 18.35.

**Summary of Repeated Recommendations**

Origin: 2002 – 1; 2004 – 1; 2005 – 2; 2006 – 1; 2008 – 1.

**Currently Classified as Under Study**

09-78. The auditors recommend IDOT establish procedures to ensure grantees receiving individual awards for \$25,000 or more certify that their organization is not suspended or debarred or otherwise excluded from participation in federal assistance programs. (2008)

**Currently Classified as Accepted or Implemented**

09-73. The auditors recommend IDOT develop formal policies and procedures to perform periodic on-site reviews to ensure subrecipients are administering the federal program in accordance with the applicable laws and regulations. (2005)

- 09-76. The auditors recommend IDOT implement procedures to ensure amounts reported by subrecipients in the schedule of expenditures of federal awards are reconciled to departmental records. (2002)
- 09-77. The auditors recommend IDOT review its current process for preparing subrecipient funding notifications to ensure all required information is properly communicated to its subrecipients. (2004)
- 09-80. The auditors recommend IDOT account for and remit interest earned on the Homeland Security program funds to the U.S. Treasury. (2006)
- 09-81. The auditors recommend IDOT implement procedures to ensure all information systems are adequately secured. (2005)