

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

For the Two Years Ended June 30, 2021

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021

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STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021

AGENCY OFFICIALS

Auditor General

Mr. Frank J. Mautino

Chief Legal Counsel

Ms. Margaret Livingston (effective 2/1/21)

Ms. Rebecca Patton (7/1/19 – 12/31/20)

Fiscal Officer

Ms. Teresa Davis

Agency Offices are located at:

Iles Park Plaza
740 East Ash
Springfield, Illinois 62703

Michael A. Bilandic Building
160 North LaSalle Street, Suite S-900
Chicago, Illinois 60601

SPRINGFIELD OFFICE:

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



CHICAGO OFFICE:

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

OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

MANAGEMENT ASSERTION LETTER

December 27, 2021

Estes, Bridgewater & Ogden
901 South 2nd Street
Springfield, Illinois 62704

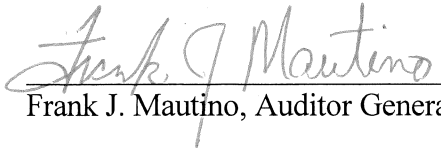
Ladies and Gentlemen:

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 State of Illinois, Office of the Auditor General (Office). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Office's compliance with the following specified requirements during the two-year period ended June 30, 2021. Based on this evaluation, we assert that during the years ended June 30, 2020, and June 30, 2021, the Office has materially complied with the specified requirements listed below.

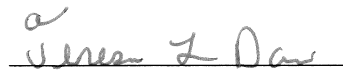
- A. The Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Illinois Office of the Auditor General



Frank J. Mautino, Auditor General



Teresa L. Davis, Fiscal Officer



Margaret Livingston, Chief Legal Counsel

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2021

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.

ACCOUNTANT'S REPORT

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

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

EXIT CONFERENCE

The Office waived an exit conference in communication dated December 27, 2021.

Estes, Bridgewater & Ogden

CERTIFIED PUBLIC ACCOUNTANTS

LORI K. MILOSEVICH, C.P.A., C.F.E.
TERRI L. PHELPS, C.P.A.
JAMES C. LEGG, C.P.A.
DANIEL J. CODY, C.P.A.
RICHARD W. OGDEN, C.P.A.

901 South Second Street
Springfield, Illinois 62704
217/528-8473
Fax 217/528-8506



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

Legislative Audit Commission
State of Illinois
Springfield, Illinois

Compliance

We have examined compliance by the State of Illinois, Office of the Auditor General (Office) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the two years ended June 30, 2021. Management of the Office is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Office's compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The Office has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Office has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Office has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the Office are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the Office on behalf of the State or held in trust by the Office have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Office complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Office complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Office's compliance with the specified requirements.

In our opinion, the Office complied with the specified requirements during the two years ended June 30, 2021, in all material respects.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control Over Compliance

Management of the Office is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the Office's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Office's compliance with the specified requirements and to test and report on the Office's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Office's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control that

we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

There were no immaterial findings that have been excluded from this report.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on the Office's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2020, and June 30, 2021, in Schedules 1 through 6 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Office management. We have applied certain limited procedures as prescribed by the *Audit Guide* to the accompanying supplementary information for the years ended June 30, 2020, and June 30, 2021, in Schedules 1 through 6. We have not applied procedures to the accompanying supplementary information for the years ended June 30, 2019, in Schedules 3 through 6 and in the Analysis of Operations Section. We do not express an opinion, a conclusion, nor provide any assurance on the accompanying supplementary information in Schedules 1 through 6 or the Analysis of Operations Section.

Ester, Bridgewater & Ogden

Springfield, Illinois
December 27, 2021

SCHEDULE 1

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2021

For the Sixteen Months Ended October 31, 2021

Public Act 101-0637	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31	Balances Lapsed October 31
		Expenditures Through June 30	Expenditures July 1 to October 31		
FISCAL YEAR 2021					
GENERAL REVENUE FUND - 001					
Personal Services	\$ 6,525,700	\$ 6,524,440	\$ -	\$ 6,524,440	\$ 1,260
State Contributions to Social Security	478,000	475,352	-	475,352	2,648
Contractual Services	603,000	597,894	4,565	602,459	541
Commodities	300	168	-	168	132
Printing	-	-	-	-	-
Equipment	-	-	-	-	-
Electronic Data Processing	-	-	-	-	-
Telecommunications	40,000	35,159	3,105	38,264	1,736
Operation of Automotive Equipment	-	-	-	-	-
Total General Revenue Fund	\$ 7,647,000	\$ 7,633,013	\$ 7,670	\$ 7,640,683	\$ 6,317
AUDIT EXPENSE FUND - 342					
Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses Related to Actuarial Services	\$ 31,352,370	\$ 17,613,380	\$ 8,118,483	\$ 25,731,863	\$ 5,620,507
Total Audit Expense Fund	\$ 31,352,370	\$ 17,613,380	\$ 8,118,483	\$ 25,731,863	\$ 5,620,507
GRAND TOTAL - ALL FUNDS	\$ 38,999,370	\$ 25,246,393	\$ 8,126,153	\$ 33,372,546	\$ 5,626,824

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Office of the Auditor General's records and have been reconciled to the State Comptroller's records.

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

Note 3: Total expenditures include interest payments approved for payment by the Office of the Auditor General and submitted to the State Comptroller for payment.

SCHEDULE 2

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

Expenditure Authority for Fiscal Year 2020

For the Fifteen Months Ended September 30, 2020

Public Act 101-0007 FISCAL YEAR 2020	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Balances Lapsed September 30
			Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	
GENERAL REVENUE FUND - 001					
Ordinary and Contingent Expenses of the Office of the Auditor General	\$ 7,147,000	\$ 7,124,135	\$ 8,769	\$ 7,132,904	\$ 14,096
Total General Revenue Fund	<u>\$ 7,147,000</u>	<u>\$ 7,124,135</u>	<u>\$ 8,769</u>	<u>\$ 7,132,904</u>	<u>\$ 14,096</u>
AUDIT EXPENSE FUND - 342					
Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses Related to Actuarial Services	\$ 27,784,864	\$ 18,948,975	\$ 6,945,264	\$ 25,894,239	\$ 1,890,625
Total Audit Expense Fund	<u>\$ 27,784,864</u>	<u>\$ 18,948,975</u>	<u>\$ 6,945,264</u>	<u>\$ 25,894,239</u>	<u>\$ 1,890,625</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 34,931,864</u>	<u>\$ 26,073,110</u>	<u>\$ 6,954,033</u>	<u>\$ 33,027,143</u>	<u>\$ 1,904,721</u>

- Note 1: Appropriations, expenditures, and lapsed balances were obtained from the Office of the Auditor General's records and have been reconciled to the State Comptroller's records.
- Note 2: Expenditure amounts are vouchers approved for payment by the Office and submitted to the State Comptroller for payment to the vendor.
- Note 3: Total expenditures include interest payments approved for payment by the Office of the Auditor General and submitted to the State Comptroller for payment.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
AND LAPSED BALANCES**

SCHEDULE 3

For the Fiscal Years Ended June 30, 2021, 2020, and 2019

	Fiscal Year		
	2021	2020	2019
	Public Act 100-0586	Public Act 101-0007	Public Act 100-0586
APPROPRIATED FUNDS			
GENERAL REVENUE FUND - 001			
Appropriations (Net of Transfers)	\$ 7,647,000	\$ 7,147,000	\$ 6,807,000
Expenditures			
Personal Services	\$ 6,524,440		\$ 5,686,639
State Contributions to Social Security	475,352		413,496
Contractual Services	602,459		599,148
Commodities	168		628
Printing	-		-
Equipment	-		5,700
Electronic Data Processing	-		26,455
Telecommunications	38,264		53,985
Operation of Automotive Equipment	-		430
Ordinary and Contingent Expenses of the Office of the Auditor General	-	\$ 7,132,904	-
Total Expenditures	\$ 7,640,683	\$ 7,132,904	\$ 6,786,481
Lapsed Balances	\$ 6,317	\$ 14,096	\$ 20,519
AUDIT EXPENSE FUND - 342			
Appropriations	\$ 31,352,370	\$ 27,784,864	\$ 28,540,611
Expenditures			
Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses Related to Actuarial Services	\$ 25,731,863	\$ 25,894,239	\$ 24,589,291
Total Expenditures	\$ 25,731,863	\$ 25,894,239	\$ 24,589,291
Lapsed Balances	\$ 5,620,507	\$ 1,890,625	\$ 3,951,320
TOTAL - ALL APPROPRIATED FUNDS			
Appropriations (Net of Transfers)	\$ 38,999,370	\$ 34,931,864	\$ 35,347,611
Total Expenditures	33,372,546	33,027,143	31,375,772
Lapsed Balances	\$ 5,626,824	\$ 1,904,721	\$ 3,971,839
State Officers' Salaries			
General Revenue Fund - 001			
Expenditures			
Auditor General	\$ 175,278	\$ 170,836	\$ 166,832
Two Deputy Auditor Generals	0	0	0
Total Expenditures	\$ 175,278	\$ 170,836	\$ 166,832

Note: State Officers' salaries are paid from the appropriation for the Office of the Comptroller.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
**COMPARATIVE SCHEDULE OF RECEIPTS, DISBURSEMENTS
AND FUND BALANCE (CASH BASIS)
AUDIT EXPENSE FUND**
For the Two Years Ended June 30, 2021

SCHEDULE 4

	2021	2020
Receipts		
Cash Deposits	\$ 2,580,150	\$ 2,131,147
Prior Year Refunds	9,362	-
Transfers-in	25,026,959	43,841,076
Total Receipts	27,616,471	45,972,223
Disbursements		
Expenses	24,558,644	25,443,827
Transfers-out	675,385	20,602,605
Total Disbursements	25,234,029	46,046,432
Net Increase in Cash Balance	2,382,442	(74,209)
Cash Balance - Beginning of Year	34,679,598	34,753,807
Cash Balance - End of Year	\$ 37,062,040	\$ 34,679,598

Note: This schedule was prepared from the Office's records and reconciled to those records of the Office of the State Comptroller.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND
RECONCILIATION OF CASH RECEIPTS TO
DEPOSITS REMITTED TO THE STATE COMPTROLLER**
For the Year Ended June 30,

	2021	2020	2019
General Revenue Fund - 001			
Reimbursements for Audits of Federal Programs	\$ 3,399,407	\$ 4,459,183	\$ 2,942,595
Miscellaneous	57	17	106
Total cash receipts per Office	3,399,464	4,459,200	2,942,701
Less - In transit at End of Year	1,875	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 3,397,589</u>	<u>\$ 4,459,200</u>	<u>\$ 2,942,701</u>
Audit Expense Fund - 342			
Reimbursement for Audits of State Trust Funds and other Local Funds	\$ 3,612,703	\$ 2,150,311	\$ 3,330,141
Prior Year Refund	9,362	-	-
Total cash receipts per Office	3,622,065	2,150,311	3,330,141
Less - In transit at End of Year	1,051,717	19,164	20,440
Plus - In transit at Beginning of Year	19,164	20,440	-
Total cash receipts per State Comptroller's Records	<u>\$ 2,589,512</u>	<u>\$ 2,151,587</u>	<u>\$ 3,309,701</u>
GRAND TOTAL - ALL FUNDS			
Total cash receipts per Office	\$ 7,021,529	\$ 6,609,511	\$ 6,272,842
Less - In transit at End of Year	1,053,592	19,164	20,440
Plus - In transit at Beginning of Year	19,164	20,440	-
Total cash receipts per State Comptroller's Records - All Funds	<u>\$ 5,987,101</u>	<u>\$ 6,610,787</u>	<u>\$ 6,252,402</u>

SCHEDULE 6

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2021

	<u>Equipment</u>
Balance at July 1, 2019	\$ 1,358,126
Additions	108,633
Deletions	(62,745)
Net Transfers	<u>(47,648)</u>
Balance at June 30, 2020	<u>\$ 1,356,366</u>
Balance at July 1, 2020	\$ 1,356,366
Additions	58,359
Deletions	-
Net Transfers	<u>-</u>
Balance at June 30, 2021	<u>\$ 1,414,725</u>

Note: This schedule was prepared from the Office's records and reconciled to property records submitted to the Office of the State Comptroller.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2021
(Not Examined)

The Office of the Auditor General maintains offices at 740 East Ash Street in Springfield and in the Michael A. Bilandic Building at 160 North LaSalle in Chicago. The Auditor General is Frank J. Mautino.

The function of the Office of the Auditor General is to assist the General Assembly in achieving oversight of State government and improvement in audited agency operations by:

- a) Performing objective audits and evaluations of agency programs and operations;
- b) Providing useful information generated by such audits and evaluations to the General Assembly and other concerned parties;
- c) Offering recommendations to bring governmental operations into conformity with applicable laws and regulations; and
- d) Providing information to the General Assembly for its use in evaluating agency and program performance and in making informed policy decisions.

The manner in which the Office is organized to accomplish the above functions is elaborated in the annual report of the Office of the Auditor General.

The Office maintains ongoing formal planning for internal operations and to meet the requirements of the State Auditing Act and the various specific directives given it by the General Assembly.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF ACCOUNTS RECEIVABLE
For the Years Ended June 30, 2021, 2020 and 2019
(Not Examined)

	2021	2020	2019
General Revenue Fund - 001			
Gross Receivables:			
Not Past Due	\$ 2,767,663	\$ -	\$ 2,359,466
1 - 30 Days Outstanding	-	2,460,777	236,629
31 - 90 Days Outstanding	-	-	-
91 - 180 Days Outstanding	-	-	-
181 Days - 1 Year Outstanding	-	-	-
Over 1 Year Outstanding	-	-	56,273
Total Gross Receivables	2,767,663	2,460,777	2,652,368
Less: Allowance for Uncollectibles	-	-	-
Net Receivables	\$ 2,767,663	\$ 2,460,777	\$ 2,652,368

Audit Expense Fund - 342

Gross Receivables:			
Not Past Due	\$ 1,169,293	\$ 3,095,181	\$ 579,421
1 - 30 Days Outstanding	-	-	755,826
31 - 90 Days Outstanding	-	-	-
91 - 180 Days Outstanding	-	-	-
181 Days - 1 Year Outstanding	-	-	-
Over 1 Year Outstanding	-	-	90,124
Total Gross Receivables	1,169,293	3,095,181	1,425,371
Less: Allowance for Uncollectibles	-	-	-
Net Receivables	\$ 1,169,293	\$ 3,095,181	\$ 1,425,371

The accounts receivables generated by the Office of the Auditor General primarily represent billings to other State agencies for reimbursement of audit costs. Reimbursements for federal single audits are deposited into the General Revenue Fund. Reimbursements for audits not associated with federal single audits are deposited or transferred to the Audit Expense Fund. If normal collection methods fail, the Office requests assistance from the Office of the Attorney General. To date the Office has never used the services of a private collection agency.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2021
(Not Examined)

The analysis of significant variances in total expenditures by fund exceeding \$1,000 and 20% between fiscal years as presented in the “Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances, Schedule 3” is detailed below. Due to the Office receiving a lump sum General Revenue Fund appropriation for Fiscal Year 2020, a schedule has been included to provide expenditure amounts by detail object code.

	2021	Fiscal Year 2020	2019
GENERAL REVENUE FUND - 001			
Expenditures			
Personal Services	\$ 6,524,440	\$ 6,045,091	\$ 5,686,639
State Contributions to Social Security	475,352	439,496	413,496
Contractual Services	602,459	594,692	599,148
Commodities	168	241	628
Equipment	-	296	5,700
Electronic Data Processing	-	-	26,416
Telecommunications	38,264	52,991	53,985
Operation of Automotive Equipment	-	97	430
Total Expenditures	<u>\$ 7,640,683</u>	<u>\$ 7,132,904</u>	<u>\$ 6,786,442</u>

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN
FISCAL YEARS 2021 AND 2020**

General Revenue Fund – 001

Telecommunications

The decrease in Telecommunications expenditures of \$14,727 was due to the Office transitioning to a Voice Over Internet system that the Office purchased and will maintain. This transition resulted in less expenditures being paid to the Department of Innovation Technology for telephone usage and rental during Fiscal Year 2021. The purchase of the Voice Over Internet system and the monthly fees to operate the system was purchased from the Audit Expense Fund.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2021
(Not Examined)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN
FISCAL YEARS 2020 AND 2019**

General Revenue Fund – 001

Equipment

The decrease in Equipment expenditures of \$5,404 was due to the Office paying more invoices for equipment and library materials out of the Audit Expense Fund instead of the General Revenue Fund in Fiscal Year 2020 to avoid paying prompt pay interest.

Electronic Data Processing

The decrease in Electronic Data Processing expenditures of \$26,416 was due to the Office paying all invoices for electronic data equipment and supplies out of the Audit Expense Fund instead of the General Revenue Fund in Fiscal Year 2020 to avoid paying prompt pay interest.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2021
(Not Examined)

The analysis of significant variances in cash receipts by fund exceeding \$1,000 and 20% between fiscal years as presented in the “Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller, Schedule 5” is detailed below:

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN
FISCAL YEARS 2021 AND 2020**

General Revenue Fund – 001

Reimbursements for Audits of Federal Programs

The decrease in cash receipts is due to the Office billing entities requesting reimbursement for Fiscal Year 2019 federal program audit costs earlier in Fiscal Year 2020 resulting in more time for the entities to submit their payments to the Office prior to the end of Fiscal Year 2020. Also the Office billings for the Fiscal Year 2020 federal program audit costs were submitted to entities later in Fiscal Year 2021 resulting in less time to receive payments prior to the end of Fiscal Year 2021.

Audit Expense Fund – 342

Reimbursements for Audits of State Trust Funds and other Local Funds

The increase in cash receipts is due to the Office billing entities later in Fiscal Year 2020 resulting in the Office receiving payments during Fiscal Year 2021.

Prior Year Refunds

The increase in prior year refunds is due to the Office receiving a refund of \$6,465 for an overpayment of the Office's peer review. In addition, the Office received a refund of \$2,897 for an overpayment of pension contributions due to a rate redetermination change.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN
FISCAL YEARS 2020 AND 2019**

General Revenue Fund – 001

Reimbursements for Audits of Federal Programs

The increase in cash receipts is due to the Office billing entities for the Fiscal Year 2018 federal program audit costs later in Fiscal Year 2019 resulting in the Office receiving payments during Fiscal Year 2020. Also the Office billings for the Fiscal Year 2019 federal program audit costs were submitted to entities earlier in Fiscal Year 2020 resulting in the Office receiving more payments prior to the end of Fiscal Year 2020.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2021
(Not Examined)

Audit Expense Fund – 342

Reimbursements for Audits of State Trust Funds and other Local Funds

The decrease in cash receipts is due to the Office billing entities later in Fiscal Year 2020 resulting in less time for the entities to submit their payments to the Office prior to the end of Fiscal Year 2020.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2021
(Not Examined)

The analysis of significant lapse period spending exceeding \$1,000 and 20% in Fiscal Years 2020 and 2021 as reported in the “Schedule of Appropriations, Expenditures and Lapsed Balances, Schedules 1 and 2” is detailed below:

FISCAL YEAR 2021

Audit Expense Fund - 342

Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses
Related to Actuarial Services

The lapse period spending was due to contracts executed towards the end of the fiscal year to allow for special assistant auditors to start early work on audit services. These audit services are performed through June 30th and invoices are not received by the Office until lapse period.

FISCAL YEAR 2020

Audit Expense Fund - 342

Administrative and Operations Expenses and Audits, Studies, Investigations, and Expenses
Related to Actuarial Services

The lapse period spending was due to contracts executed towards the end of the fiscal year to allow for special assistant auditors to start early work on audit services. These audit services are performed through June 30th and invoices are not received by the Office until lapse period.

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2021
(Not Examined)

The following table, prepared from Office records, presents the average number of employees, by location, for the Fiscal Year Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Springfield	82	80	82
Chicago	4	4	5
 Total Employees	 <u>86</u>	 <u>84</u>	 <u>87</u>

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
ANNUAL COST STATISTICS
For the Two Years Ended June 30, 2021
(Not Examined)

Contractual Compliance Audits

Presented as follows is a schedule of compliance audit division contractual audit statistics, by fiscal year, compiled from information provided by the Office of the Auditor General. The statistics do not include data concerning audits performed by the staff of the office:

<u>Fiscal Year</u>	<u>Number of Contract Audits</u>	<u>Audit Hours Required</u>	<u>Average Rate Per Hour</u>
2021	63	234,629	\$104.74
2020	67	208,279	\$107.13
2019	56	211,551	\$102.47

Contractual Financial Audits of Regional Office of Education Audits

Presented as follows is a schedule of contractual financial audit statistics for audits of regional offices of education and intermediate services centers, by fiscal year, compiled by the Office of the Auditor General. There are 35 regional offices of education and 3 intermediate service centers.

<u>Fiscal Year</u>	<u>Number of Contract Audits</u>	<u>Audit Hours Required</u>	<u>Average Rate Per Hour</u>
2021	32	12,309	\$93.46
2020	35	13,914	\$87.93
2019	30	11,475	\$85.83

Audit Expense Fund Disbursements

An analysis of the disbursement of funds from the appropriation for audits, studies and investigations for the two fiscal years of the attestation engagement are presented below:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Audit Fees and Expenses	\$25,477,293	\$25,340,658	\$23,322,849
Other Administrative Expenses	254,570	553,581	1,266,442
Total Audit Studies and Investigation Expenses	<u>\$25,731,863</u>	<u>\$25,894,239</u>	<u>\$24,589,291</u>

STATE OF ILLINOIS
OFFICE OF THE AUDITOR GENERAL
DISCLOSURE OF EMERGENCY PURCHASES
For the Two Years Ended June 30, 2021
(Not Examined)

Fiscal Year 2021

Avoid Serious Disruption in the Office's Audit Services

Statewide Single Audit

The timing of the release of the 2020 Compliance Supplement and Compliance Supplement Addendum delayed the Statewide Single Audit Special Assistant Auditor's ability to fully assess the impact on the State's major programs and extent of testing necessary to comply with Single Audit requirements under the Uniform Guidance. Significant additional moneys received and programs not contemplated at the time of contracting necessitated an amendment to the current contract to ensure compliance with Single Audit requirements. Additional testing was required due to the Coronavirus Relief Fund and various federal pandemic assistance programs. The Office entered into an amendment to the current contract with KPMG LLP and ultimately paid the Special Assistant Auditors an additional \$142,100 to complete the audit services.

Fiscal Year 2020

Avoid Serious Disruption in the Office's Audit Services

Illinois Power Agency

The Office had originally planned to perform the Illinois Power Agency's financial audit with the Office's staff. However, due to staff turnover and a statutory deadline for completing the audit, it was determined in the best interest of the Office and the Illinois Power Agency to have this audit completed by Special Assistant Auditors. The Office entered into a contract with Plante & Moran, PLLC and ultimately paid the Special Assistant Auditors \$123,500 to complete the audit services.