

LEGISLATIVE AUDIT COMMISSION



Review of
Department of State Police
Two Years Ended June 30, 2016

622 Stratton Office Building
Springfield, Illinois 62706
217/782-7097

REVIEW: 4490
DEPARTMENT OF STATE POLICE
TWO YEARS ENDED JUNE 30, 2016

FINDINGS/RECOMMENDATIONS - 13

ACCEPTED - 3
ACCEPTED AND PARTIALLY IMPLEMENTED - 6
IMPLEMENTED - 4

REPEATED RECOMMENDATIONS - 7

PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 11

This review summarizes the auditors' report of the Department of State Police for two years ended June 30, 2016, filed with the Legislative Audit Commission May 25, 2017. The auditors conducted a compliance examination in accordance with State law and *Government Auditing Standards*.

The Department of State Police was established January 1, 1970. The Department's responsibility is to maintain order as mandated by statute, while safeguarding the rights and privileges of all citizens of the State. The Department is divided into four divisions: Operations, Forensic Services, Administration, and Internal Investigation.

The Division of Operations (DOO) is comprised of a network of 21 district headquarters and seven investigative zone offices located throughout the State, and provides a full range of enforcement, educational and support services to Illinois' citizens and law enforcement community. DOO has two commands, Field Operations and Field Support. The Division of Forensic Services consists of the Forensic Sciences Command and Crime Scene Service Command (CSSC). CSSC's Crime Scene Investigators (CSIs) provide crime scene processing services to federal, state, county, and local law enforcement agencies throughout Illinois. The Operational laboratories provides scientific analysis of evidence for law enforcement agencies throughout Illinois. The Division of Administration which includes the Administrative Support Command houses the Statewide 9-1-1 Bureau, State Police Academy, Bureau of Identification, Communications Services Bureau, Fiscal Management Bureau, and Logistics Bureau. The Information Technology Command houses the Firearms Services Bureau and Program Administration Bureau. Information technology functions handled by the Information Services Bureau were transferred to DoIT effective July 1, 2016. The Division of Internal Investigation safeguards the integrity of the Department.

The Division of Operations works daily to safeguard the public by reducing the number and seriousness of vehicle crashes. Troopers regularly patrol over 138,000 miles of roads and highways. The Division of Forensic Services provides crime scene services and forensic analysis. The Department's forensic science laboratory system is one of the largest in the world. The Division of Internal Investigation (DII) investigates alleged misconduct or wrong

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doing by officials, members or employees of any agency, board, or commission in the executive branch of Illinois Government.

Hiram Grau was Director during the first seven months of the audit period until January 31, 2015. He served from April 2011 through January 2015. Leo Schmitz was appointed Director on February 4, 2015 and continues to serve as Director. Director Schmitz previously served in the Chicago Police Department and has spent more than 30 years in law enforcement.

The following presents the average number of full-time employees by function at June 30:

	FY16	FY15	FY14
Operations	1,552	1,569	1,600
Internal Investigations	51	59	61
Forensics	392	417	419
Administration	189	203	217
Academy	31	53	60
Shared Services	-	-	17
Special Funds	351	377	344
TOTAL	2,566	2,677	2,718

The following presents a comparison of activities and performance for the fiscal years noted:

	FY16	FY15	FY14
Number of Impaired Driving Citations	11,538	9,150	12,872
Number of Speeding Citations	110,792	131,268	133,315
Number of Motor Carrier Inspections	89,712	82,109	86,727
Number of Criminal Investigative Cases Open	7,422	8,151	5,205
Number of Criminal Investigative Cases Closed	5,680	6,439	2,042
Number of DNA Cases Worked	5,450	5,704	6,086
Number of Forensic Cases Worked	83,157	83,594	91,878
Number of Crime Scenes Processed	4,003	3,583	3,736
Number of Inquiry Transactions Processed (LEADS)	81,293,629	95,206,994	94,549,443
Number of FOID Applications Processed	186,302	434,312	186,302
Number of Concealed Carry Applications Processed	928,126	881,834	868,088
Total Internal Investigation Cases Opened	191	184	211
Criminal History Analyses Conducted at Nursing Homes	3,579	2,7	0

Expenditures From Appropriations

During FY16, the Department operated without enacted appropriations until PA99-0409, PA99-0491, and PA99-0524 were signed into law on August 20, 2015, December 7, 2015, and June 30, 2016, respectively. During the budget impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* ordered the State Comptroller to draw and issue warrants for wages of State employees at their normal rates of pay. The Department incurred non-payroll obligations which the Department was unable to pay until the passage of the Public Acts listed above. Public Act 99-0524 authorized the Department to pay FY16 costs using its FY17 appropriations for non-payroll expenditures.

- The Department held 7,322 invoices from FY16 totaling \$17.2 million.
- During FY16, seven vendors participated in the VSI program for 312 invoices totaling \$3.7 million.
- The Department incurred \$850,000 in Prompt Payment interest for FY16.

Appendix A presents a summary of appropriations and expenditures for FY16, FY15, and FY14. The Department's expenditures were \$349.7 million in FY16 compared to \$325.1 million in FY15, an increase of \$24.6 million, or 7.5%.

In FY16, Court-ordered expenditures from GRF were \$222.6 million and expenditures from other funds were \$127 million compared to expenditures in FY15 of \$241.3 million from GRF and \$83.7 million from other funds. The Department received individual appropriations designated for specific purposes in FY15 rather than lump sum appropriations for operations in the General Revenue Fund as in FY14.

Significant variations in expenditures in FY16 compared to FY15 were as follows:

- \$18.6 million decrease in GRF was due to Court-ordered payments;
- \$63.9 million increase in Statewide 9-1-1 Fund was due to the transfer of the Fund from the ICC and was used to fund grants for local 9-1-1 services;
- \$10.6 million decrease in the State Police Operations Assistance Fund was due to less salary expenses due to Court-ordered payroll;
- \$6.7 million decrease in the State Police Vehicle Fund was due to the delay in purchasing of vehicles due to the budget impasse; and
- \$2.3 million decrease in the State Police Whistleblower Reward and Protection Fund was due to lower tort claims in FY16.

Cash Receipts

Appendix B provides a summary of the Department's cash receipts for FY16, FY15 and FY14. Cash receipts were \$111.2 million as of June 30, 2016, compared to \$65.2 million for FY15, an increase of \$46 million, or 70.5%. The change in receipts was due almost entirely to the transfer of the Statewide 9-1-1 Fund from the ICC to the State Police. Increases in the various Asset Forfeiture Funds were due to an increase in assets seized, and there was a \$2.5 million decrease in the Federal Projects Fund.

Property and Equipment

Appendix C summarizes the changes in property and equipment. The beginning balance as of July 1, 2014 was \$279,502,018, and the ending balance was \$291,832,427 as of June 30, 2016, an increase of \$12.3 million, or 4.4%. Of the ending balance, approximately \$188.5 million was in equipment; \$94.2 million in buildings and building improvements; \$7.3 million in capital leases; and the remaining \$1.7 million in land and land improvements. There was a \$31 million transfer into buildings and building improvements in FY16.

Accounts Receivable

According to the audit report, net accounts receivable at June 30, 2016 was \$86,000 compared to \$1.1 million in FY15. However, finding No. 2 stated that the Department failed to maintain accounts receivable records for the Road Fund. The majority of net receivables were due to the Road Fund for overweight fines in FY15.

Status of Previously Conducted Program/Management Audits

Division of Forensic Services

The Management and Program Audit of the State Police's Division of Forensic Services was released in March 2009 and contained 16 recommendations. As of June 30, 2016, fourteen of the audit's recommendations were implemented and two were partially implemented. The partially implemented recommendations were as follows:

- #1 Develop a comprehensive plan to address the environmental issues at the forensic labs.
- #3 Fully utilize the funds appropriated by the General Assembly for the Division of Forensic Services, including the reduction of backlogs, rather than allowing the funds to be transferred or to lapse.

Firearm Owner's Identification Card Act

The Management Audit of the State Police's Administration of the Firearm Owner's Identification Card Act was released in April 2012 and contained 12 recommendations. As of June 30, 2016, ten of the audit's recommendations were implemented and two were partially implemented. The partially implemented recommendations were as follows:

- #1 Update the FOID Card Program Policy and Procedures Manual, provide and document formal training to Firearms Services Bureau staff, and update administrative rules relating to the FOID Card Act.

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- #6 Work with vendor to ensure the FOID cards are forwarded to the correct mailing address and ensure enough customer service representatives are available to answer applicants' questions about the FOID card.

Accountants' Findings and Recommendations

Condensed below are the 13 findings and recommendations presented in the audit report. There were seven repeated recommendations. The following recommendations are classified on the basis of updated information provided by Michael T. Yokley, Chief Financial Officer, Illinois State Police, received via electronic mail on October 5, 2018.

Accepted or Implemented

- 1. Develop procedures to immediately assess if a computer may have contained confidential information whenever it is reported lost, stolen, or missing during the annual physical inventory, and document the results of the assessment. Also, ensure all equipment is accurately and timely recorded or removed from the Department's property records and ensure accurate reports are submitted to the Comptroller. Additionally, update the property control manual and continue to strengthen controls over the recording and reporting of State property and equipment by reviewing inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. (Repeated-2002)**

Finding: The Illinois Department of State Police (Department) did not exercise adequate control over the recording and reporting of its State property and equipment. Some of the items noted during testing were as follows:

- All 60 items listed as lost or missing could possibly have confidential information stored on them. Items included computers and laptops. Department personnel stated they did not keep a listing of what information would have been stored on lost or missing equipment.
- The Department was unable to reconcile differences noted between the Expenditure by Quarter Report and the Agency's Report on State Property (C-15) Reports. Department personnel stated reconciliations were not done due to a lack of resources.
- The Department's property records did not agree to the C-15 Reports filed with the State Comptroller.
- All eighteen capital lease copiers tested, totaling \$95,013, were not reported on the C-15 reports.

Department personnel stated the differences between the Department's property records and the reports were caused by reconciliations not being performed due to a lack of resources. In

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addition, Department personnel stated the capital leases were not recorded to the Department's inventory records due to clerical error.

- Thirty of 60 vouchers, totaling \$2,474,050, included items that were not added to the Department's inventory records.
- Forty-four of 60 (73%) equipment items, totaling \$31,639,604, were added to the Department's inventory records between 2 and 358 days late.

Department personnel stated oversight and employee error contributed to the errors noted. Department personnel determined this to be the cause in the prior engagement as well.

- Annual Certification of Inventory could be inaccurate based upon failure to perform reconciliations of the Department's property records.
- Sixteen of 60 (27%) equipment items, totaling \$33,760, were reported on both Fiscal Year 2016 and Fiscal Year 2015 Annual Certification of Inventory as being unable to be located. The items were not removed from the Department's property records.

Department personnel stated inaccuracies in the Annual Certifications of Inventory were caused by reconciliations not being performed and not removing items from property records, which were both due to a lack of resources.

- Seventeen of 30 (57%) Accounting for Leases-lessee Forms (SCO-560) tested, totaling \$93,726, included maintenance cost in the rent per period input on the SCO-560 form.

Department personnel stated oversight was the cause of the improperly completed SCO-560 forms.

- Four of 60 (7%) equipment items located within the Department were not found on the Department's property records.

Department personnel stated oversight was the cause for the errors noted. Department personnel determined this to be the cause in the prior engagement as well.

Updated Response: Accepted. Shared Services continues to struggle with staffing in the area of property control and several weaknesses still exist. The Illinois State Police is pursuing alternative means to correct the issues related to this finding.

2. **Keep accurate and detailed records of all billings and the corresponding collections to facilitate proper reporting of accounts receivable activity. Also, strengthen procedures and allocate necessary resources to properly post payments. (Repeated-2010)**

Accepted or Implemented – continued

Finding: The Department did not properly maintain accounts receivable records for the Road Fund and failed to accurately report accounts receivable on the Quarterly Summary of Accounts Receivable Reports to the Office of the State Comptroller.

During testing, auditors noted accounts receivable records for the Road Fund were incomplete. The Department did not post all new billings or payments received against the receivable balances which resulted in the accounts receivable listing being inaccurate. During the period under examination, the Department collected \$9,251,269 for the Fund which exceeded the recorded billings of \$6,463,595 and the July 1, 2014 accounts receivable balance of \$2,342,000 by \$445,674. The Department's estimate of accounts receivable for the Fund of \$1,020,000 at June 30, 2015 and \$0 at June 30, 2016 are deemed unreliable.

Department personnel stated the incomplete records and inaccurate Reports were due to payments not being entered into the system since 2008, when a staff position became vacant and was no longer funded. Department personnel determined this to be the cause in the prior engagement as well.

Updated Response: Accepted. Shared Services continues to struggle with staffing in the area of accounts receivable and several weaknesses still exist. The Illinois State Police is pursuing alternative means to correct the issues related to this finding.

3. Strengthen procedures and allocate necessary resources to properly report and fully pursue collections on delinquent accounts receivable. Also, refer all eligible delinquent accounts to the Comptroller's Offset System. (Repeated-2012)

Finding: The Department did not aggressively pursue the collection of accounts receivable and did not properly refer delinquent accounts receivable to the State Comptroller's Offset System.

The Department is owed money from various individuals and companies for items such as drug fines, over-dimensional load police escorts, property vehicles, forfeited items, and other miscellaneous items. Auditors tested seven receivable accounts with a balance of \$151,951. All seven accounts had balances greater than \$250. The last time the Department attempted to collect for these seven accounts ranged from February 22, 2008 through October 31, 2012.

Department personnel stated the collection attempts have not been accomplished due to shortage of staff. The position responsible for collection attempts has been vacant since 2008 and is no longer funded.

Response: Accepted. The position responsible for this function has not been filled by the Public Safety Shared Services Center (PSSSC) for many years. The current staff attempt to work on collections as often as possible, but the resources are not available to pursue this effort fully. The Department will work with the PSSSC to establish a plan to address this ongoing issue.

Updated Response: Accepted. Shared Services continues to struggle with staffing in the area of accounts receivable and several weaknesses still exist. The Illinois State Police is pursuing alternative means to correct the issues related to this finding.

4. Develop and implement a project management framework, tools, and a system development methodology to control and provide oversight of Information Technology (IT) projects. (Repeated-2010)

Finding: The Department lacked a project management framework, tools, and a system development methodology to ensure controls over Information Technology (IT) projects. In addition, the Department had not developed a system development methodology to ensure development projects were properly controlled and met the project's objectives.

During the examination period, the Department was responsible for the development of 14 applications. However, the Department did not utilize a project management framework or system development methodology, which would document planning, documentation, testing, and implementation requirements.

Department management stated the weakness was due to insufficient resources to create a project management office to coordinate projects Department wide.

Updated Response: Implemented. Since the time of the last audit, Information Service Bureau is now managed by the Department of Innovation and Technology. Therefore, new IT projects for Illinois State Police, such as LIMS are going through the Enterprise Project Management Office and Governance. This resolves this finding.

5. Install automatic encryption software on all laptops and data at rest, and secure and encrypt confidential data transmitted through the network; Implement procedures to ensure that surplus equipment is secured and properly tracked while awaiting disposal; implement procedures to ensure all leased equipment is properly wiped prior to return; ensure network equipment is running supported hardware, operating systems, and antivirus software; ensure password security content and change interval settings conform to policy requirements; disable the default administrator account; and timely deactivate user's network access upon termination. (Repeated-2010)

Finding: The Department did not maintain adequate security controls over computer systems to safeguard confidential information. During testing, auditors noted the Department:

- Did not have a mechanism in place to ensure electronically transmitted information was secured or encrypted, other than LEADS information.
- Had not deployed encryption software on all laptops and data at rest.

Accepted or Implemented – continued

- Had not ensured surplus equipment was secured and tracked prior to disposal. Additionally, the Department had not ensured leased equipment was properly wiped prior to returning it to the vendor.
- Had not ensured servers, switches and firewalls were running on supported hardware, current operating systems, and current antivirus software.
- Had not effectively implemented available security controls; password content and change interval settings did not conform to policy requirements; a powerful default administrator account had not been disabled; and individuals' network access was not timely deactivated.

Department personnel stated the lack of security controls was due to insufficient funds to update the infrastructure and controls to adequately monitor and protect the Department's assets.

Response: Accepted. The Department recognizes the need to maintain adequate security controls on systems. Many of the recommendations are currently being implemented or being planned as a part of the statewide consolidation.

The Department will have encryption software on all devices (PCs, laptops, and IWIN devices) by July 2017. Modifications to the installation and decommissioning of equipment is being modified by DoIT personnel and several policies have been proposed to address the tracking and disposal of equipment.

The Department is also investing in its aging infrastructure, which will resolve findings concerned with the running of unsupported equipment and operating systems.

Updated Response: Partially Implemented. The Department has been able to procure and implement critical network components over the last year to replace the legacy infrastructure that had reached end of life and was not capable of providing the security and redundancy that the Department required. This effort has resulted in the Network core, Firewalls and several remote locations being updated with equipment. The Department in conjunction with the Department of Innovation and Technology is working towards the purchase and replacement of all network switches across the Departments remote locations. This will include the end to end encryption from each facility.

DoIT staff have implemented a plan to replace all PCs/Laptops over a 3 to 4 year period with the approval from the Department. As new machines are setup the hard drives are configured to be encrypted at rest by using Microsoft's Bitlocker software. We are currently 18 months into this project and expect to be completed in the next two years.

6. Update procedures to ensure ISP adequately provides for computer system changes to be initiated, planned, developed, tested, and implemented in a controlled environment. Specifically, enhance procedures and requirements for:

- **System testing, test scripts, and approval;**
- **User testing, test scripts, and approval;**
- **Requesting and receiving approval to migrate changes into production;**
- **Segregating duties between individuals requesting changes, programming changes, testing changes and moving changes to production. If the Department determines that programmer access to the production environment is necessary in some situations, it should establish and enforce compensating controls to ensure appropriate management oversight and approval of changes.**

Fully implement and consistently follow change management procedures for all changes. Additionally, ensure semi-annual reviews of the Department's change management practices are performed by the Department's Office of Inspections and Audit. (Repeated-2012)

Finding: The Department's change management policies and procedures did not ensure all changes were initiated, planned, developed, tested, and implemented in a controlled environment. In addition, programmers developing and making changes to computer systems had access to the production environment and the capability to implement changes.

The Department established a Change Management Procedure, along with a Change Request Form and Instructions. However, the procedures did not provide sufficient guidance to ensure changes were properly controlled and documented.

Auditors reviewed 25 changes, noting:

- Seven of the 25 changes were moved to the production environment by the developer. In addition, the documentation supporting 13 of the 18 remaining change requests did not provide sufficient detail to determine if duties were properly segregated.
- Documentation detailing testing performed and associated approvals was not available.
- Documentation indicating changes were approved before being moved to production was not available.

Additionally, the Procedure required the Department's Office of Inspections and Audit to perform semi-annual reviews of the change management practices and provide management any findings and recommendations resulting from the review; however, the Department indicated such reviews were not performed during the audit period.

Accepted or Implemented – continued

Department personnel stated the weakness is due to insufficient staff to separate duties and a sprawling infrastructure that spans several decades' worth of technology. These factors have contributed to personnel filling multiple roles across the change management lifecycle.

Response: Many of these deficiencies can be attributed to the loss of staff. With fewer positions, the Department has had to consolidate roles, which has led to recommended practices not being followed, such as a lack of separation of duties.

Instances where a test was not done prior to putting changes into production is a direct result of not having a test system in certain areas, including Criminal History Record Information (CHRI) system and the Automated Fingerprint Identification System (AFIS). A new automated fingerprint system is in the process of being procured by the Department which will alleviate this finding as it relates to CHRI and AFIS, however, until such procurement is finalized and implemented, additional compensating controls will be implemented to ensure the integrity and security of the system. In addition, the consolidation of agencies into the Department of Innovation and Technology will transition the responsibility for appropriate change management procedures statewide to the Department of Innovation and Technology staff.

Updated Response: Partially Implemented. Staffing to cover separation of duties is still an issue, however DoIT is hiring to bring the head count from 46 to 67 to fill critical positions that will allow us to provide separation. As the IT environment unifies with the Enterprise Statewide IT solutions we will have greater separation. This unification plan was recently approved by both the Secretary of DoIT and the ISP Director to move forward.

The lack of a test system from a vendor has been an issue with being able to test new functionality prior to being implemented. In the previous response the Department noted that AFIS and CHRI communication could not be tested, due to a lack of an AFIS test system. The replacement for AFIS, ABIS, will have a test system to allow the Department to test functionality before being moved into production.

7. Comply with specific statutory mandates and explore options to utilize the Department's financial resources to fund existing and new mandated responsibilities.

Finding: The Department was not in compliance with specific statutory mandates during the examination period. Auditors noted the following:

- The Department did not keep a record of all vehicles that were reported stolen and report such information directly to the Secretary of State as required.
- The Department did not provide training to local law enforcement agencies in FY16 pertaining to portions of the Electronic Criminal Surveillance Officer (ECSO) III Certification program as required.

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- The Department did not comply with various reporting and training requirements of the following newly enacted legislative mandates: Uniform Crime Reporting Act; Alcoholism and Other Drug Abuse and Dependency Act; and two sections of the Civil Administrative Code.

Department personnel stated due to the FY16 budget impasse, the Auto Theft Task Force was shut down, which resulted in an inadequate number of personnel to keep track of the stolen vehicle reports. Due to the lack of personnel, reports of vehicle theft or conversions were also not furnished to the Illinois Secretary of State. The Department also stated that due to the FY16 budget impasse, they were not able to procure a certified locksmith to teach portions of the Electronic Criminal Surveillance Officer (ECSO) III training. No ECSO III certification or recertification courses were offered during FY16. Department personnel stated the lack of funding prevented the posting and filling of vacant positions in the Illinois Uniform Crime Reporting Program, which resulted in insufficient staff to satisfy the new reporting requirements. The Department also stated the limited funding received during FY16 prevented the purchase of opioid antagonists and limited the amount of training provided to Officers. In addition, the Department stated funds have not been identified in order to develop training for its officers in identifying, responding to, and reporting all hate crimes.

Updated Response: Implemented. It is the opinion of the Division of Administration the LEADS entry, cancellation, and hit procedure processes cover the requirements of 625 ILCS 5/4-107(d). The LEADS programming staff at DoIT, to their knowledge, does not provide anything to SOS in accordance with 625 ILCS 5/4-107(e). However, ISP provides the stolen vehicle information to SOS via computer to computer. The Division of Operations did mention the Secretary of State runs all new titles through the stolen cars "Hot Files" before processing them. Although no report is generated, the Secretary of State has the ability to run vehicle information through the stolen vehicle files which should satisfy the finding.

The ECSO III certification is valid for two years. The Division of Operations had an ECSO III class scheduled in 2016, but it was cancelled due to budget restraints. However, all ECSO III certified officers in the State Of Illinois were re-certified in July of 2017.

The Department could not purchase opioid antagonists for all Department Officers. The Department was able to purchase 1,290 doses and provided 2 doses for 645 Department officers (field troopers and sergeants only) from FY15 funds in order to support the bill. These officers were trained in the administration of the drug. The Department has purchased additional doses for field officers to replace expiring doses but has been unable to purchase the drug for officers who are not assigned to the field. However, all officers are receiving training in the administration of the drug during annual first responder training beginning in Fiscal Year 2017. Cadets and new Local Law Enforcement trainees who attend the ISPA receive training in the administration of opioid antagonists. Additionally, all sworn officers continue to be trained annually in the use of the drug. A sworn shift briefing was disseminated to all officers in May 2017 which covered the signs of opiate overdose, information regarding safety protocols for First Responders, and instructions on how to administer Nasal Narcan. Additionally, changes were drafted to OPS-040, Emergency

Accepted or Implemented – continued

Medical Services/First Responder/Basic Life Support for Healthcare Providers, which is the Department directive that will establish procedures to control the acquisition, storage, transportation, and administration of opioid antagonists and proved for training in the administration of such opioid antagonists. The recommended policy changes are in full staffing during Fiscal Year 2017.

The Department's Academy has prepared a shift briefing on identifying, responding to and reporting of all hate crimes. This document has been approved and was delivered to all officers throughout the Department in January 2017. In addition to the shift briefing, a Law Bulletin focusing on the elements of hate crimes was distributed in July 2017. Cadets and new Local Law Enforcement trainees receive: (1) training regarding the elements of the Illinois Hate Crimes offense during their Criminal Offenses class and (2) a two hour block of training specifically regarding, responding to and reporting Hate Crimes as part of their basic training program.

8. Comply with the Administrative Code and the Prompt Payment Act to ensure vouchers are approved within the required time frame and the required interest is paid. In addition, process vouchers in accordance with SAMS to ensure accurate reporting. (Repeated-2004)

Finding: The Department did not exercise adequate controls over voucher processing. Some of the conditions noted were as follows:

- Forty-seven of 238 (20%) vouchers tested for FY15, totaling \$5,800,978, were approved for payment from 1 to 254 days late.
- Fifty-one of 215 (24%) vouchers tested for FY16 for which the Department had expenditure authority, totaling \$2,246,074, were approved for payment from 4 to 277 days late.
- Eleven of 196 vouchers tested for FY15, totaling \$415,161, accrued required interest charges of \$2,933 which were not paid by the Department.
- Eighteen of 177 vouchers tested for FY16 for which the Department had expenditure authority, totaling \$1,254,358, accrued required interest charges of \$16,467 which were not paid by the Department.

Department personnel stated late approvals were due to lack of sufficient staffing in the Administration division. In addition, the Department received limited appropriations prior to the passing of the State budget at the end of FY16. This forced the Department to prioritize the order in which vouchers would be processed, many of which were beyond 30 days. Department personnel stated the FY15 prompt payments not made were due to oversight and federal grants not allowing for the payment of interest. Department personnel stated they are

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unable to pay FY16 prompt pay interest until a full appropriation is received and it is uncertain when they will have funding for this. Department personnel also stated the incorrect SAMS detail object codes were due to clerical error.

Response: Accepted. Voucher processing begins within the Department and is finalized at the Public Safety Shared Services Center (PSSSC). The PSSSC processed vouchers as quickly as possible given the available staffing resources. The Department will also need to ensure that cost center staff are submitting payments to PSSSC in a timely manner. The Fiscal Year 2016 budget impasse also impacted the ability to process payments in a timely manner. The Department will work towards the processing of required prompt payment penalties as resources are available.

Updated Response: Partially Implemented. Shared Services has had consistent dedicated staff in place for processing of ISP vouchers as authorized to do so by the Department and continues to process payments as quickly as resources allow.

9. Implement controls to ensure that appropriation, cash receipt, and cash balance reconciliations are all performed and reviewed in a timely manner, in accordance with SAMS. In addition, maintain adequate documentation to support the timely completion and review of the reconciliations.

Finding: The Department did not have adequate controls over monthly appropriation, cash receipt, and cash balance reconciliations. During testing of reconciliations between the Office of the State Comptroller records and the Department's records, auditors noted the following:

- Thirty-two Monthly Appropriation Status Reports (SB01) and Cash Reports (SB05) did not include documentation of the dates reconciliations were performed, as well as who prepared or reviewed the reconciliations.
- Monthly Revenue Status Report (SB04) reconciliations for the periods of January through June of 2016 were not performed timely for Fund 612.
- Two of 32 monthly reconciliations of the SB01 disclosed the Department did not timely record items on the Department's records. As a result, the Department required additional time to correct and reconcile the records after the Comptroller had completed processing items.
- The June 30, 2016 SB05 monthly reconciliation for Fund 612 showed seventeen outstanding items, totaling \$10,520,969, were not entered timely in the Department's records.

Accepted or Implemented – continued

Department personnel stated SAMS does not specify that the preparer and reviewer needs to document who and when the work is performed. Department personnel also stated the information to perform the SB04 reconciliations was not routed to the appropriate personnel timely. Additionally, Department personnel stated the transfer of Fund 612 required the Department to implement policies and procedures that took time to implement.

Response: Accepted. The Department will document the personnel who complete reconciliations and the date they are completed. The Department has also put in place the necessary policies and procedures for recording activity in the 612 fund. The Department will also take steps to ensure all activity for all funds is recorded in a timely manner.

Updated Response: Implemented. Fund 0612 receipt reconciliations were caught up in FY17 and have been prepared timely in FY18. Additionally, the Department is documenting dates and names when reconciliations are completed.

10. Implement controls to ensure cash receipts are deposited and processed in a timely manner.

Finding: The Department did not pay into the State treasury the gross amount of money received and did not record the receipts to Department records on a timely basis as required by State law.

Auditors noted \$2,377,350 of concealed carry receipts received during the period January through June 2014, were not deposited until July 2014. Further, the receipts were not recorded into Department records until the receipts were deposited and the receipts were then backdated in Department records to FY14 into the following funds respectively: Fund 148 – Mental Health Reporting \$316,215, Fund 152 – State Crime Laboratory \$159,255, and Fund 209 – State Police Firearm Services \$1,901,880.

Department personnel stated the receipts initially could not be deposited due to not knowing the breakdown of how much to deposit in each of the three funds involved.

Response: Accepted. The Department has established procedures for the proper handling of receipts related to concealed carry. The Department will monitor to ensure those procedures continue to be followed.

Updated Response: Implemented. Shared Services continues to process all receipts in a timely manner per the procedures established by the Department.

11. Follow policies and procedures over asset seizures and forfeitures to ensure compliance with Department Directives and the Drug Asset Forfeiture Procedure Act.

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Finding: The Department failed to comply with its policies and procedures over asset seizures and forfeitures. Some deficiencies noted by auditors were as follows:

- One of 15 asset seizure cases did not contain documentation that Illinois State Police Notice/Inventory of Seized Property (Form 4-64) was distributed to the Department's Assets Forfeiture Section of the Fiscal Management Bureau. The seized property was a vehicle and trailer with a total gross value of \$50,000.
- Three of six vehicle seizure cases did not contain documentation of Form 4-64 being sent to the Illinois Secretary of State immediately following the seizure. The vehicles, including other personal items, had a total gross value of \$126,739.
- Two of 14 seized assets, which were forfeited, did not contain documentation of approval from the State's Attorney on the Department's required Form 4-64. The seized assets included two vehicles, a trailer, and currency, with asset gross value of \$69,512.
- Two of 10 forfeited seized property items tested, which were sold by the Department, did not include approval from the State's Attorney on the Department's required Form 4-64. The two items sold were vehicles with a total gross value of \$1,500.

Department personnel stated the missing documentation and untimely distributed forms were likely due to clerical error or oversight. Department personnel also stated the untimely seized cash deposits were all deposited by a District in which there is no local branch of the bank used by the Department, therefore the District does not make the deposit until they are sure the cash will not need to be returned.

Updated Response: Partially Implemented. Throughout April, May and June of 2017 the Asset Forfeiture Section conducted 5 sessions of Asset Forfeiture Training highlighting the process by which seizures/forfeiture are reported to the ISP. The training sessions covered the various topics noted in these findings. The Asset Forfeiture Section also presented a brief update at the annual MEG/TF meeting that year.

Throughout the summer and fall of 2017, the ISP participated in several legislative meetings regarding asset forfeiture in the State of Illinois. The result was significant revisions to the sections of drug statutes dealing with asset seizure/forfeiture, money laundering and Article 36; as well as, the enacting of the new statute 5 ICLS 810, "Seizure and Forfeiture Reporting Act". The revisions and new act became effective July 1, 2018. During these meetings, it was requested the provision to notify the Secretary of State be eliminated. It remains in statute.

In 2017, the ISP contracted with Journal Technologies, Inc. to develop a new reporting and tracking system for asset seizure/forfeiture. The new system went on-line one week prior to the July 1, 2018 effective date for the new legislation. Notice of the new system and changes to legislation was provided to all law enforcement agencies statewide via a mass mailing approximately two weeks prior to the effective date.

Accepted or Implemented – concluded

By legislation, the ISP has until January 1, 2019 to fully implement the new reporting/tracking system. More specifically, the annual reporting function legislated in 5 ILCS 810 must be implemented by that date. Work on that aspect of the system is ongoing, as is work on the rules and regulations for the Illinois Administrative Code the ISP was given authority to implement.

12. Implement controls to ensure contracts are properly signed and timely filed with the Comptroller in accordance with SAMS. In addition, ensure proper award codes are used on the COD in accordance with SAMS.

Finding: The Department did not establish adequate internal controls over contracts. During testing auditors found the following:

- One of 60 contracts, totaling \$3,618,909, was signed 79 days after the effective date. The contract required three signatures but two were signed 79 days after the effective date.
- Two of 60 contracts tested, totaling \$4,772,369, were not timely filed with the Office of the State Comptroller (Comptroller). These contracts were filed 85 and 229 days late.
- Four of 60 contracts tested, totaling \$517,546, included improper award codes as other governments and small purchases on the Contract Obligation Document (COD). All four of the contracts with improper award codes on the COD should have been coded as sole source.

Department personnel stated the contracts were not signed and filed timely due to administrative oversight. Additionally, Department personnel stated the award codes on the contract obligation documents have been carried forward each year and have never been rejected by the Comptroller.

Updated Response: Partially Implemented. The Illinois State Police are now processing all procurement transactions within the department. The department continues to strive towards signing all contracts in a timely manner as well as file with the Comptroller within the required amount of time.

13. Continuously review, update, and approve disaster recovery plan to ensure it reflects the current environment and contains sufficient detail to support the Department's recovery efforts. Additionally, perform disaster recovery testing at least annually and maintain sufficient documentation supporting the goals, processes, and results.

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Finding: The Department had not conducted adequate planning or testing for the recovery of its computer systems.

The Department maintained the Illinois State Police, Information Services Bureau, Data Center Disaster Action Plan, which appeared to establish a suitable frame work for recovery of the Department's systems and data. However, the Plan had not been updated since July 2010 and did not depict the current environment.

The Department had not conducted disaster recovery testing since September 2014. Additionally, the Department did not maintain documentation supporting the testing goals, processes, and results of the testing in 2014.

Department personnel stated the weakness was due to insufficient resources and lack of travel funds to send personnel offsite to perform the testing.

Response: The Department recognizes the need to conduct adequate disaster recovery testing, and the Department provided documentation showing the last test was conducted in 2014. Additionally, previously conducted yearly testing was impacted by budget constraints the last two years.

The Department is currently working with the Department of Innovation and Technology's management to correct these deficiencies and change the dynamic of how disaster recovery is performed. The Law Enforcement Agency Data Systems modernization has a significant impact on disaster recovery, due to the fact that the recovery is specified in the contract with the vendor.

Updated Response: Partially Implemented. With the unification efforts and application rationalization efforts being conducted, DoIT is in the process of creating a disaster recovery template for all critical applications for the Department. DoIT is also investing in infrastructure (Network, Compute, and Storage) to facilitate redundancy and disaster recovery.

Emergency Purchases

The Illinois Procurement Code (30 ILCS 500/) states, "It is declared to be the policy of the State that the principles of competitive bidding and economical procurement practices shall be applicable to all purchases and contracts...." The law also recognizes that there will be emergency situations when it will be impossible to conduct bidding. It provides a general exemption when there exists a threat to public health or public safety, or when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State Property, to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or to ensure the integrity of State records; provided, however that the term of the emergency purchase shall not exceed 90 days. A contract may be extended beyond 90 days if the chief procurement officer determines additional time is necessary and that the contract scope and

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duration are limited to the emergency. Prior to the execution of the extension, the chief procurement officer must hold a public hearing and provide written justification for all emergency contracts. Members of the public may present testimony.

Notice of all emergency procurement shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 days before the public hearing.

A chief procurement officer making such emergency purchases is required to file an affidavit with the Procurement Policy Board and the Auditor General. The affidavit is to set forth the circumstance requiring the emergency purchase. The Legislative Audit Commission receives quarterly reports of all emergency purchases from the Office of the Auditor General. The Legislative Audit Commission is directed to review the purchases and to comment on abuses of the exemption.

During FY15 the State Police filed three emergency purchase affidavits totaling \$337,279 for the following items:

- \$204,612 for software;
- 69,243 for aircraft repair; and
- \$63,424 for FOID card supplies.

The Department also filed two emergency purchases in FY15 updating amounts spent on purchases that originated in FY13 and FY14. There were no emergency purchase affidavits filed in FY16.

Headquarters Designations

The State Finance Act requires all State agencies to make semiannual headquarters reports to the Legislative Audit Commission. Each State agency is required to file reports of all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time. In July 2016, the Department reported that 11 employees spent the majority of their work time in locations other than their official headquarters.

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DEPARTMENT OF STATE POLICE
TWO YEARS ENDED JUNE 30, 2016

APPENDIX A

Summary of Appropriations and Expenditures

	FY16	FY15	FY14
TOTAL APPROPRIATIONS	\$ 349,753,779	\$ 414,176,988	\$ 448,973,500
General Revenue Fund			
General Operations			
Court-ordered expenditures	\$ 221,515,741	\$ -	\$ -
Operational costs and expenses	-	-	239,966,816
Tort claims	-	-	40,000,000
Subtotal General Operations	\$ -	\$ -	\$ 279,966,816
Division of Administration			
Personal services	\$ -	7,111,069	\$ -
Contractual services	-	1,373,993	-
Auto	-	135,727	-
All other	-	1,764,304	-
Subtotal Division of Administration	\$ -	\$ 10,385,093	\$ -
Information Services Bureau			
Personal services	\$ -	4,759,299	-
Contractual services	-	904,779	-
EDP	-	2,443,489	-
Telecommunications	-	446,832	-
All Other	-	376,702	-
Subtotal Information Services Bureau	\$ -	\$ 8,931,101	\$ -
Division of Operations			
Personal services	\$ -	141,477,052	\$ -
Contractual services	-	2,853,950	-
Telecommunications	-	2,691,627	-
South Suburban Major Crimes Task Force	-	-	97,000
Auto	-	6,779,899	-
All Other	-	8,222,889	-
Subtotal Division of Operations	\$ -	\$ 162,025,417	\$ 97,000
Div of Operations - Financial Fraud & Forgery Unit			
Personal services	\$ -	3,389,470	\$ -
All Other	-	126,766	-
Subtotal - Division of Financial Fraud and Forgery Unit	\$ -	\$ 3,516,236	\$ -

Appendix A - continued

	FY16	FY15	FY14
<u>Division Forensic Services & Identification</u>			
Personal services	\$ -	42,225,030	\$ -
Contractual services	- -	3,600,385	- -
Combined DNA index system	- -	2,104,785	2,135,151
Statewide Sexual Assault Evidence Collection Program	- -	56,447	57,676
All Other	- -	4,857,566	2,599,221
Court-ordered expenditures	<u>465,132</u>	<u>-</u>	<u>-</u>
Subtotal Forensic Services & Identification	\$ 465,132	\$ 52,844,213	\$ 4,792,048
<u>Division of Internal Investigation</u>			
Personal services	\$ -	\$ 2,655,053	\$ -
Contractual services	- -	20,666	- -
Operations of the Nursing Home	- -	716,389	717,216
Identified Offender Program	- -	285,448	- -
All Other	- -	\$ 710,150	- -
Court-ordered expenditures	<u>\$ 710,150</u>	<u>-</u>	<u>-</u>
Subtotal Internal Investigation	\$ 710,150	\$ 3,677,556	\$ 717,216
Total General Revenue Fund	\$ 222,691,023	\$ 241,379,646	\$ 285,573,080
Other Funds			
Compassionate use of Medical Cannabis	\$ 115,873	\$ 233,475	\$ -
Mental Health Reporting Fund	42,149	- -	- -
State Crime Lab Fund	710,499	549,336	493,282
State Police Firearm Service Fund	7,683,456	5,966,901	2,225,378
State Police DUI Fund	145,345	1,513,320	1,354,656
Medicaid Fraud & Abuse Fund	29,051	34,097	- -
State Police Vehicle Fund	- -	6,780,356	9,663,754
State Police Vehicle Maintenance Fund	697,798	- -	500,000
Motor Vehicle Theft Prevention Trust Fund	- -	263,160	355,062
Sex Offender Investigation Fund	102,848	113,371	97,221
State Asset Forfeiture	1,270,462	1,886,831	3,335,591
Federal Asset Forfeiture Fund	1,077,320	1,061,364	1,399,646
Sex Offender Registration Fund	138,321	257,274	98,695
LEADS Maintenance Fund	1,752,416	1,186,239	1,661,476
State Offender DNA Identification Fund	2,579,877	2,177,966	2,514,262
Statewide 911 Fund	63,936,204	- -	- -
State Police Wireless Services Emergency Fund	811,943	867,412	827,414
Motor Carrier Safety Inspection Fund	2,142,575	2,122,361	2,282,023
Over Dimensional Load Police Escort Fund	124,885	123,958	121,989
Whistleblower Reward & Protection Fund	1,925,799	4,296,669	8,629,780
Money Laundering Asset Recovery Fund	1,273,225	368,731	1,345,811
State Police Operations Assistance Fund	6,739,286	17,386,176	14,582,573
State Police Street Gang-Related Crime Fund	2,850	2,863	- -
Drug Traffic Prevention Fund	270,000	296,160	150,000
Traffic & Criminal Conviction Surcharge Fund	4,331,730	4,737,724	4,864,186
Federal Projects Fund	10,612,997	12,706,816	12,942,622
State Police Services Fund	<u>18,545,847</u>	<u>18,839,265</u>	<u>19,444,697</u>
TOTAL EXPENDITURES FROM APPROPRIATED FUNDS	\$ 349,753,779	\$ 325,151,441	\$ 374,463,198

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DEPARTMENT OF STATE POLICE
TWO YEARS ENDED JUNE 30, 2016

APPENDIX B

Cash Receipts

	FY16	FY15	FY14
<u>General Revenue Fund</u>			
Accident reports	\$ 205,969	\$ 187,509	\$ 165,017
Federal Agencies	-	-	397
State Highway Police	143,817	378,554	374,648
Circuit Clerks	14,268	22,318	17,809
Miscellaneous & unclaimed assets	95,503	15,513	10,059
Other State Agencies	-	-	293,851
Total General Revenue Fund	\$ 459,557	\$ 603,894	\$ 861,781
<u>Other Funds</u>			
Road Fund (Overweight Fines)	4,742,891	4,508,378	4,028,093
Fish & Wildlife Fund (Firearms Owners' ID fees)	1,155,537	945,270	1,120,038
Firearms Owner's Notification Fund (Registration fees)	-	-	68,877
Arsonist Registration Fund	500	-	-
Mental Health Reporting Fund	1,505,380	1,462,423	1,257,552
State Crime Laboratory Fund (Laboratory fees)	1,307,299	1,322,485	1,169,445
State Police Firearms Services Fund (Concealed Carry fees)	9,944,294	9,460,873	8,153,973
State Crime Laboratory DUI Fund	1,262,129	1,517,651	1,760,937
Medicaid Fraud and Abuse Fund (Medicaid fraud prevention)	2,752	-	-
State Police Vehicle Fund (Sale of State vehicles)	1,043,708	1,124,561	1,057,977
State Police Motor Vehicle Theft Prevention Trust Fund (Local government units & other State agencies)	-	211,338	435,396
Murder and Violent Offender Against Youth Fund (Fines and Penalties)	1,848	1,397	10
State Asset Forfeiture Fund (Drug asset forfeitures)	2,751,993	1,277,946	2,942,333
Federal Asset Forfeiture Fund (Drug asset forfeitures)	1,388,696	236,124	709,200
Sex Offender Registration Fund (Registration fees)	142,670	141,077	122,404

Appendix B continued

	FY16	FY15	FY14
LEADS Maintenance Fund (Miscellaneous)	123	-	-
State Offender DNA Identification Fund (DNA testing of sex offenders, misc)	2,356,058	2,545,015	2,439,376
Statewide 9-1-1 Fund (Wireless carrier reimbursement)	43,137,051	-	-
Wireless Carrier Reimbursement Fund (Wireless 911 surcharge)	1,930,487	-	-
State Police Wireless Service Fund (Cellular 911 Services)	389,145	510,973	586,915
Over Dimensional Load Police Escort Fund (Over dimensional load)	186,180	130,320	116,460
Capital Projects Fund	1,579,358	1,831,732	1,698,885
State Police Whistleblower Reward & Protection Fund (Money Laundering - State)	31,381	-	-
Money Laundering Asset Recovery Fund (Money Laundering - State)	1,415,287	409,048	691,323
State Police Operations Assistance Fund (Functions of State Police monies)	120,000	35,615	90,000
State Police Streetgang Related Crime Fund (Streetgang crimes)	1,117	1,505	1,199
Drug Traffic Prevention Fund	88,873	123,359	176,872
Traffic & Criminal Conviction Surcharge Fund (Criminal or traffic offense fines)	6,339	12,137	9,685
Federal Projects Fund (Federal and miscellaneous projects)	10,666,061	13,244,235	13,020,667
State Police Services Fund (Reimbursement from other State agencies & local governments)	<u>23,594,101</u>	<u>23,606,252</u>	<u>22,504,154</u>
TOTAL CASH RECEIPTS	<u>\$ 111,210.815</u>	<u>\$ 65,263.608</u>	<u>\$ 65,023.552</u>

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TWO YEARS ENDED JUNE 30, 2016

Summary of Property and Equipment

	FY16	FY15
Beginning Balance, July 1	\$ 267,945,444	\$ 279,502,018
Additions	4,256,391	13,910,819
Deletions	(1,360,134)	(1,334,502)
Transfers from other agencies	<u>20,990,726</u>	<u>(24,132,891)</u>
 Ending Balance, June 30	 <u>\$ 291,832,427</u>	 <u>\$ 267,945,444</u>
 * Represented by:		
Land & land improvements	\$ 1,732,556	\$ 1,732,556
Buildings & building improvements	94,267,105	63,232,326
Equipment	188,502,606	194,850,402
Capital leases - Bldgs & Improvements	6,707,417	6,707,417
Capital leases - Equipment	<u>622,743</u>	<u>1,422,743</u>
 Total	 <u>\$ 291,832,427</u>	 <u>\$ 267,945,444</u>
