

ILLINOIS STATE POLICE DIRECTIVE ADM-002, OFFICE OF INSPECTION AND AUDITS

RESCINDS: ADM-002, 2014-038, revised 05-23-2014	REVISED: 03-06-2018 2018-002
RELATED DOCUMENTS: ADM-020, ROC-001, ROC-002, PER-030	RELATED CALEA STANDARDS: 53.1.1, 53.2.1, 84.1.6

I. POLICY

The Illinois State Police (ISP) will maintain an Office of Inspection and Audits (I&A) for the purpose of conducting reviews and audits to:

- I.A. Ensure objective review of department facilities, property, equipment, personnel, administration, purchasing, and operations.
- I.B. Assist all members of management in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, and pertinent information.
- I.C. Provide the services listed in I.A. and I.B. to other law enforcement agencies per the authority and at the direction of the Director.

II. AUTHORITY

30 ILCS 10/1001, et seq., the "Fiscal Control and Internal Auditing Act" (FCIAA)

III. DEFINITIONS

- III.A. Audit – the practices and processes that provide the Director and other levels of management with the tools necessary to ensure compliance, economy, efficiency, and effectiveness of the agency's operation. In addition, an audit provides an objective evaluation of the Department's facilities, property, equipment, personnel, administrative activities, and/or operational activities to ensure compliance with relevant laws, regulations, directives, and procedures.
 - III.A.1. Compliance Audit - determines whether administrators and/or programs are adhering to laws, rules, and directives.
 - III.A.2. Financial Audit - determines whether financial operations are properly conducted based on whether financial reports of an audited entity have complied with applicable laws and regulations.
 - III.A.3. Operational or Performance Audit - determines whether the entity is managing or utilizing its resources in an economical and efficient manner and the causes of any inefficiencies or uneconomical practices, including inadequacies in management information systems, administrative procedures, or organizational structures.
 - III.A.4. Program Audit - determines whether desired results or benefits are being achieved, objectives established by the legislature or other authorizing body are being met, and the agency has considered alternatives that might yield desired results at a lower cost.
- III.B. Chief Internal Auditor – a Certified Internal Auditor (by examination), a Certified Public Accountant with four years of internal audit experience, or an internal auditor with five years of experience named by the Director to oversee audits within the ISP.
- III.C. Compensating Control – a control that limits the severity of a finding and prevents it from rising to the level of a significant deficiency or a material weakness. Although a compensating control mitigates the effects of a control deficiency, it does not eliminate the control deficiency.
- III.D. Control Deficiency – when an internal control does not facilitate management or employees, in the normal course of their duties, to prevent or detect errors, omissions, or other non-compliance on a timely basis.

- III.E. Division Audit Liaison (DAL) – an individual, code or sworn, selected by his/her respective Division Colonel who will act as the Division's point of contact on all audit-related matters.
- III.F. Exception – an identified deviation from a statute, directive, or other guideline.
- III.G. Finding
 - III.G.1. Immaterial – a finding of enough significance that management awareness and corrective measures are necessary, but overall will not likely result in a material weakness.
 - III.G.2. Material – a finding whose significance is considered highly important to the area being audited.
- III.H. Follow-up audit - an announced audit conducted by staff from I&A, per the authority and direction of the Director, to review and evaluate those items that were identified during a previous audit as requiring attention or corrective action.
- III.I. Material Weaknesses – a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the subject matter will not be prevented or detected.
- III.J. Observation – a topic of interest for management that does not rise to the level of a finding.
- III.K. Quarterly Internal Follow-up report – an update provided every three months by the relevant division to the Chief Internal Auditor, or his/her designee, reporting the implementation status of corrective actions to remedy deficiencies identified by an audit.
- III.L. Significant Deficiency – a deficiency in internal control, or combination of deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report data reliably in accordance with the applicable criteria or framework such that there is more than a remote likelihood that a misstatement of the subject matter that is more than inconsequential will not be prevented or detected.
- III.M. Special audit – an announced or unannounced audit of ISP or other law enforcement agency, conducted by the staff from I&A per the authority and at the direction of the Director, to review and evaluate administrative and/or operational matters specifically identified by or requested by the Director.
- III.N. Two-year plan – an annually updated plan of audits for the subsequent two-years as required by FCIAA. This plan is developed with input from I&A staff, ISP management, reviews of external audits, and questionnaires to assess risk.

IV. RESPONSIBILITIES

- IV.A. I&A personnel will perform audits as part of an on-going, annually-revised two-year audit plan which will include periodic review of all agency operations, prior internal audit reports, post audit reports, observations, and requests by the Director.
- IV.B. The Colonel of each division is responsible for appointing a DAL for his/her respective division. Upon a change of the DAL, the newly appointed DAL will notify the Chief Internal Auditor of the change.
- IV.C. Employees will give full cooperation to personnel conducting audits to include, but not be limited to, making all files (personnel, investigative, Division of Internal Investigations, confidential source, and juvenile), records, property, and equipment available for review/examination upon reasonable request.

V. PROCEDURES

V.A. Interview Requests

An employee who wishes to be interviewed in conjunction with an audit may make this request known:

- V.A.1. Through the chain-of-command
- V.A.2. By directly contacting his/her respective Colonel's Office
- V.A.3. By directly contacting staff from I&A

V.B. Management Assistance

- V.B.1. I&A will assist all members of management in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations, and pertinent comments concerning the activities reviewed.
- V.B.2. I&A auditors and inspectors are concerned with any phase of department activity when they can be of service to management. This goes beyond the accounting and financial records to obtain a full understanding of the operations under review. The attainment of this overall objective of service to management involves such activities as:
 - V.B.2.a. Determining the adequacy of financial records and performance reports that disclose the present condition and the results of past operations of an organization or program.
 - V.B.2.b. Reviewing the extent to which assets are accounted for and safeguarded from losses of all kinds.
 - V.B.2.c. Ascertaining compliance and degree of adherence to prescribed rules, policies, programs, and mandates.
 - V.B.2.d. Evaluating the efficiency, effectiveness, and economy of programs and operations.
 - V.B.2.e. Reviewing the adequacy and reliability of information and control systems.
 - V.B.2.f. Ensuring prescribed uniformity of procedures as appropriate throughout the Department, particularly those concerning administration, operation, supervision, personnel, and department standards of excellence, fairness, and safety of officers and employees.
- V.B.3. I&A staff members are prohibited by audit standards from providing or advising of specific solutions to correct identified problem areas.

V.C. Conducting Audits

- V.C.1. The Chief Internal Auditor will send notification to the appropriate management/command describing the proposed type and scope of the audit and offering the entity to be audited the opportunity for an entrance conference.
- V.C.2. The entrance conference, if requested, will be held on the starting date of the audit between I&A staff and the desired personnel of the audited entity.
 - V.C.2.a. The purpose, scope, and procedures to be followed and reporting practices will be discussed at this meeting.
 - V.C.2.b. Emphasis is placed on the practice of reviewing recommendations and findings during the course of the audit prior to the issuance of a final report.

- V.C.3. I&A staff will perform audit fieldwork.
- V.C.4. At the conclusion of fieldwork, a draft report will be prepared. The draft report will include any findings and observations resulting from the exceptions identified during fieldwork.
- V.C.5. The draft report will be issued to the audited entity and management/command of the area audited. The audited entity will be afforded the opportunity to request an exit conference.
 - V.C.5.a. If an exit conference is not requested, the audited entity will provide written responses to the findings within the time designated by I&A. The audited entity's response options are:
 - V.C.5.a.1) "Concur" – the Division audited agrees with the finding.
 - V.C.5.a.2) "Do not concur" – the Division does not agree with the finding.
 - V.C.5.b. The response will also include a corrective action plan and an estimated completion date of the corrective action. If corrective action is impeded by fiscal or staffing issues outside of ISP control, the use of compensating controls should be considered until appropriate resources are allocated.
 - V.C.5.c. If an exit conference is requested, I&A staff will meet with the appropriate management/command to discuss the report and potential findings. Once I&A staff and the audited entity agree on the findings, the audited entity will then provide a written response for each finding following the procedures located in V.C.5.a. through V.C.5.b.
- V.C.6. Upon receipt, I&A will prepare a final report to include the responses provided by the audited entity. I&A will forward this report to audited management and the Director's Office.
- V.D. Follow-up
 - V.D.1. Provided with the final report will be a Quarterly Internal Follow-Up Review form. This form is used by I&A as a tool to monitor the implementation progress of the corrective action cited in the recommendations and the audited entity's initial response to the audit findings.
 - V.D.2. Quarterly, on or before the date noted on the form, the Division will complete and forward the follow-up form to I&A.
 - V.D.3. The following response formats must be used when completing the quarterly follow-up form:
 - V.D.3.a. "Fully Implemented" – the Division accepted the recommendation and completely implemented the corrective action to a finding.
 - V.D.3.a.1) The Division must provide a statement of the corrective action taken.
 - V.D.3.a.2) The Division must also submit examples proving implementation with the follow-up form. An example proving implementation must be provided for each exception contributing to the finding.
 - V.D.3.b. "Partially Implemented" – the Division accepted the recommendation and partially implemented the corrective action to a finding.
 - V.D.3.b.1) The response must include a statement of what corrective action the Division took and include an example for proof of partial implementation.
 - V.D.3.b.2) The response must also include a clear reason why the Division did not implement part of the corrective action, the corrective action the Division will take, and an estimated date of completion.

V.D.3.c. "Not implemented" – the Division accepted the recommendation, but did not implement the corrective action to a finding. The response must include a clear reason why the Division did not implement the corrective action, the corrective action the Division will take, and an estimated date of completion.

NOTE: All false documentation and information reported is subject to disciplinary action as outlined in ISP Directive ROC-002, "Rules of Conduct," ISP Directive PER-030, "Complaint and Disciplinary Investigations," and applicable collective bargaining agreements.

V.D.4. Final determination of the corrective action's implementation status will be made by the Chief Internal Auditor.

V.D.4.a. Appeals of the final determination will be forwarded, in writing, to the Office of the Director (OOD) Chief of Staff (COS).

V.D.4.b. The COS will assist the First Deputy Director in mediating the dispute.

V.D.5. The follow-up process will continue until all finding corrective actions have achieved a fully implemented status or any remaining corrective action exceeds the Division's authority to implement.

V.D.5.a. The responsibility for continued follow-up/corrective action will be transferred to the Division with the authority to implement such action.

V.D.5.b. No further follow-up/corrective action will be required when such action exceeds the authority of any ISP Division to implement.

NOTE: The Chief Internal Auditor will make the final determination if follow-up action should be transferred or terminated by an ISP Division as described in V.D.5.a and V.D.5.b.

V.D.6. A follow-up audit may be performed to ensure that actions reported by the audited entity are effective and functioning as intended.

V.D.7. Each division will provide a report regarding any finding with corrective action that has not been fully implemented after one year. This report will be compiled and presented to the Director's office for review as outlined in ISP Directive ADM-140, "Administrative Reporting."

V.E. Outside Agency Requests

V.E.1. At the discretion of the Director, the ISP may conduct an audit of an outside law enforcement unit.

V.E.2. All reports, documents and work papers used during the audit of the outside law enforcement unit are property of the ISP and will be released, or held confidential, as required by law.

| Indicates new or revised items.

-End of Directive-