TO: Illinois State Board of Education
FROM: Robert E. Schiller, Superintendent
       Karl Vogl, Chief Internal Auditor

Agenda Topic: FY 01/02 Agency Financial and Compliance Audit

Materials: Auditor General’s Report (previously sent on April 9, 2003)

Staff Contact(s): Karl Vogl

Purpose of Agenda Item

To provide the Board with information regarding the report’s contents.

Expected Outcome(s) of Agenda Item

The Board will be informed of any issues identified by the Auditor General.

Background Information

The audit includes the financial statement information and the results of the compliance tests performed by the Auditor General’s contract audit firm. The financial information covers the period from July 1, 2001 through June 30, 2002, and the compliance segment covers the period from July 1, 2000 through June 30, 2002. In the future, the Auditor General will conduct annual financial and compliance audits.

Analysis and Implications for Policy, Budget, Legislative Action and Communications

The previous two-year compliance audit had 10 findings. This audit has 14 findings, none of which are critical to the Agency’s operations and Board priorities. In general, the Agency’s operations will be modified to address the individual issues.

Policy Implications
There do not appear to be any policy, budget, or legislative modifications indicated.
Pros and Cons of Various Actions

No Board action is required.

Superintendent’s Recommendation

None required.

Next Steps

Internal Audit will continue to coordinate resolutions of the findings and report to the Superintendent. The Superintendent will provide oversight to ensure that the agreed upon actions are implemented.