

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended December 31, 2016

METRO EAST POLICE DISTRICT COMMISSION
 COMPLIANCE EXAMINATION
 For the Two Years Ended December 31, 2016

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AGENCY OFFICIALS

Chair	Mr. Calvin Dye, Sr.
Vice-Chair	Mr. Virgil Riley
Treasurer	Mr. Martin Gulley
Secretary	Honorable State's Attorney Brendan Kelly

COMMISSION MEMBERS

Appointed by the Governor of the State of Illinois

Member	Mr. Calvin Dye, Sr.
Member	Honorable Judge Annette Eckert
Member	Mr. Kendall L. Granger
Member	Mr. Martin Gulley
Member	Mr. Johnny Scott
Member	Mr. Rob Scott
Member	Vacant

Appointed by the Village President of Alorton

Member	Mr. David Clark
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Appointed by the Village President of Brooklyn

Member	Mr. Jeffrey Thomas
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COMMISSION MEMBERS (continued)

Appointed by the Mayor of the City of East St. Louis

Member	Mr. Jerry Simon
Member	Mr. John Baricevic
Member	Mr. Virgil Riley
Member	Honorable Sheriff Rick Watson

Appointed by the Village President of Washington Park

Member	Mr. Allan Bonds
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Representing the St. Clair County State's Attorney

Ex-Officio Member	Honorable State's Attorney Brendan Kelly
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Representing the Director of the Department of State Police

Ex-Officio Member	Mr. Joe Collins
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Representing the Director of the Southern Illinois Law Enforcement Commission

Ex-Officio Member	Mr. David Hayes
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Note: The Commission Chair provided a listing of the current Commission members to create the above schedule. However, we were unable to determine the departure and appointment dates for Commission member turnover during Calendar Year 2015 and Calendar Year 2016. As a result, a complete and accurate listing of all Commission members serving during Calendar Year 2015 and Calendar Year 2016 could not be determined (see Finding 2016-004).

COMMISSION'S MAILING ADDRESS

While the Commission does not have an office, its mailing address is:

Metro East Police District Commission
c/o: St. Clair County
10 Public Square
Belleville, Illinois 62220

COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

December 5, 2018

Honorable Frank J. Mautino
Auditor General
State of Illinois
740 East Ash Street
Springfield, Illinois 62703-3154

Auditor General Mautino:

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 Metro East Police District Commission. 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 Metro East Police District Commission's compliance with the following assertions during the two-year period ended December 31, 2016. Based on this evaluation, we assert that during the years ended December 31, 2016, and December 31, 2015, the Metro East Police District Commission has materially complied with the assertions below.

- A. The Metro East Police District Commission has obligated, expended, received, and used public funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Metro East Police District Commission has obligated, expended, received, and used public funds in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Metro East Police District Commission has complied, in all material respects, with applicable laws and regulations in its financial and fiscal operations.
- D. Revenues and receipts collected by the Metro East Police District Commission 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 Metro East Police District Commission or held in trust by the Metro East Police District Commission have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Metro East Police District Commission

SIGNED ORIGINAL ON FILE

Calvin Dye, Chairman

SIGNED ORIGINAL ON FILE

Martin Gulley, Treasurer

METRO EAST POLICE DISTRICT COMMISSION
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COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards*, the Illinois State Auditing Act, and the Metro East Police District 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 contains an adverse opinion on compliance and identifies material weaknesses in internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
<u>Findings</u>	<u>Report</u>	<u>Report</u>
Findings	4	2
Repeated Findings	2	*
Prior Recommendations Implemented or Not Repeated	0	*

* Effective January 1, 2013, the Metro East Police District Commission was established by the Metro East Police District Act. As such, comparative data for periods prior to January 1, 2013, is not available.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (COMPLIANCE)			
2016-001	11	Failure to Assume Grant Administration Functions	Material Weakness and Material Noncompliance
2016-002	13	Inadequate Control over Finances	Material Weakness and Material Noncompliance

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<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2016-003	16	Inadequate Monitoring of the Illinois Finance Authority	Material Weakness and Material Noncompliance
2016-004	18	Procedural Deficiencies	Material Weakness and Material Noncompliance

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Commission members at an exit conference on November 1, 2018.

Attending were:

Metro East Police District Commission

Martin Gulley – Treasurer

Office of the Auditor General

Megan Green – Audit Manager

Kristen Drainer – Staff Auditor

The Commission declined to provide responses to the recommendations.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

We have examined the Metro East Police District Commission's compliance with the requirements listed below (specified requirements), 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 December 31, 2016. The management of the Metro East Police District Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Metro East Police District Commission's compliance based on our examination.

- A. The Metro East Police District Commission has obligated, expended, received, and used public funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Metro East Police District Commission has obligated, expended, received, and used public funds in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The Metro East Police District Commission has complied, in all material respects, with applicable laws and regulations in its financial and fiscal operations.
- D. Revenues and receipts collected by the Metro East Police District Commission 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 Metro East Police District Commission or held in trust by the Metro East Police District Commission 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); the Metro East Police District Act; and the Audit Guide as adopted by the Auditor General pursuant to the Act (the Audit Guide). Those standards, the Act, the Metro East Police District Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the Metro East Police District Commission complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the Metro East Police District Commission complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, 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 Metro East Police District Commission's compliance with specified requirements.

As described in items 2016-001 through 2016-004 in the accompanying schedule of findings, the Metro East Police District Commission did not comply with the specified requirements listed in the first paragraph of this report. Items 2016-001 through 2016-004 are each considered to represent material noncompliance with the specified requirements. Compliance with such requirements is necessary, in our opinion, for the Metro East Police District Commission to comply with the requirements listed in the first paragraph of this report.

In our opinion, because of the significance and pervasiveness of the noncompliance described in the preceding paragraph, the Metro East Police District Commission did not comply, in all material respects, with the specified requirements listed in the first paragraph of this report during the two years ended December 31, 2016.

The Metro East Police District Commission's responses to the findings identified in our examination are described in the accompanying schedule of findings. The Metro East Police District Commission's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Internal Control

Management of the Metro East Police District Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Metro East Police District Commission's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate

in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Metro East Police District Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Metro East Police District Commission's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings as items 2016-001 through 2016-004, that we consider to be material weaknesses.

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

The Metro East Police District Commission's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The Metro East Police District Commission's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended December 31, 2016, and December 31, 2015, in Schedules 1 through 2 and in the Analysis of Operations Section is presented for the purpose of additional analysis. Because of the significance of the matters described in items 2016-001 through 2016-004 in the accompanying Schedule of Findings, it is inappropriate to, and we do not, express an opinion on the supplementary information referred to above.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

December 5, 2018
Springfield, Illinois

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS

For the Two Years Ended December 31, 2016

2016-001. **FINDING** (Failure to Assume Grant Administration Functions)

The Metro East Police District Commission (Commission) did not assume administrative functions for external law enforcement grants and assistance within the Metro East Police District (District). The District is composed of the City of East Saint Louis, the Village of Washington Park, the Village of Alorton, and the Village of Brooklyn.

During testing, we noted the Commission did not assume the authority to apply for and accept financial grants or contributions of services from the four police departments located within the District. Further, the Commission has not designed or developed the processes and procedures necessary for receiving and administering grants, such as grant writing and implementing budgetary and accounting systems.

The Metro East Police District Act (70 ILCS 1750/10(a)(5)) requires the Commission, no later than January 1, 2014, “assume for police departments within the District the authority to make application for and accept financial grants or contributions of services from any public or private source for law enforcement purposes.”

In the prior examination, Commission officials stated the Commission lacks the financial resources necessary to hire and support the personnel necessary to conduct the entire grant process for the four communities within the District. Further, the Commission does approve or disapprove of applications for financial grants or contributions of service from the four communities within the District. In the current examination, Commission officials again cited the lack of financial resources as a barrier to assuming grant administration functions of the District.

Failure to assume the authority for applying and accepting law enforcement-related grants or services for the police departments within the District limits the Commission’s ability to provide administrative services and oversight for the District and represents noncompliance with the Metro East Police District Act. (Finding Code No. 2016-001, 2014-001)

RECOMMENDATION

We recommend the Commission seek sufficient resources to assume the authority to apply for and accept financial grants or contributions of services on behalf of the four police departments located within the District, or seek a legislative remedy.

METRO EAST POLICE DISTRICT COMMISSION
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SCHEDULE OF FINDINGS
For the Two Years Ended December 31, 2016

COMMISSION RESPONSE

The Commission declined to provide a response.

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2016-002. **FINDING** (Inadequate Control over Finances)

The Metro East Police District Commission (Commission) lacked adequate control over its finances.

During testing, we noted the following:

- The Commission does not maintain books and records of its financial activity. For example, the Commission does not have a cash disbursement journal, cash receipts journal, or a check register for its distribution account held at a bank.
- The Commission did not maintain bank statements or perform bank reconciliations of its distribution account during Calendar Year 2015 or Calendar Year 2016.
- The Commission did not exercise adequate internal control over processing its disbursements to vendors. We tested the Commission's six disbursements during the examination period, totaling \$34,084, and noted the following:
 - Four of six (67%) disbursements tested, totaling \$13,340, did not document the date the invoice was received by the Commission.
 - One of six (17%) disbursements tested, totaling \$11,600, did not have a completed Certificate of the Metro East Police District Commission, which documented the Commission's approval date.
 - One of six (17%) disbursements tested, totaling \$8,000, was not approved in a timely manner. The disbursement was approved 403 days after the related invoice was received by the Commission. This late approval resulted in approximately \$1,000 of unpaid interest owed to the vendor.
 - One of six (17%) disbursements tested, totaling \$140, was for a payment of quarterly 3% administrative fee to the Illinois Finance Authority for ten quarters of activity. We noted one quarterly fee was paid twice and one quarterly fee was not paid at all. Further we noted all fees included in the payment were paid between 2 and 30 months late.
- The Commission has not developed an allowance for doubtful accounts for reporting its net outstanding accounts receivable.

METRO EAST POLICE DISTRICT COMMISSION
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For the Two Years Ended December 31, 2016

- The Commission did not exercise adequate internal control over its contractual agreement with a vendor for an online subscription to policies and procedures. We noted the agreement did not include the amount to be paid, the signature of the contractor, or the execution date of the contract.

A good system of internal control includes the following:

- establishing and maintaining books and records for an entity's transactions;
- performing bank reconciliations on a timely basis to identify discrepancies and unrecorded transactions;
- developing a fair and reasonable estimate of uncollectible accounts receivable to properly report accounts receivable collections the Commission expects to make over the lifespan of its accounts receivable; and
- establishing contracts that include signatures of both parties, execution dates, and the amount to be paid.

In addition, the Local Government Prompt Payment Act (50 ILCS 505/3) requires the Commission approve or disapprove of a vendor's invoice within 30 days after the receipt of the bill. Good internal controls include documenting the receipt date of an invoice to provide documentation supporting compliance with this requirement. For untimely payment of a vendor's invoice, the Local Government Prompt Payment Act (50 ILCS 505/4) requires the Commission to pay an interest penalty of 1% of the vendor's invoice amount for each month or fraction of a month elapsing until the final payment is made.

Further, the *Intergovernmental Agreement between the Metro East Police District Commission and the Illinois Finance Authority Regarding the Metro East Police District Fund* (Section 9) requires the Commission pay a quarterly fee totaling 3% of the receipts deposited in the Metro East Police District Fund to the Authority within 30 days of the close of the quarter.

During the prior examination, Commission officials attributed the inadequate control over its finances to oversight, human error, and a lack of staff. During the current examination, Commission officials attributed the issues noted above to lack of resources. Further, the Commission attributed delays in approving invoices to documentation discussions with the Illinois Finance Authority.

Failure to maintain adequate books and records hinders the ability of the Commission to understand its current financial position. In addition, failure to timely pay vendors resulted in the Commission accruing interest penalties due to the vendors and the Commission's failure to pay the interest due represents noncompliance with the Local Government Prompt Payment Act. Additionally, failure to timely and accurately pay the Illinois Finance Authority the 3% administrative fee results in noncompliance with

METRO EAST POLICE DISTRICT COMMISSION
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its interagency agreement. Further, failure to develop an allowance for doubtful accounts limits the usefulness of the Commission's accounts receivable reports. Lastly, failure to include pertinent terms in a vendor's contract hinders accountability and could result in unnecessary disputes and legal costs. (Finding Code No. 2016-002, 2014-002)

RECOMMENDATION

We recommend the Commission establish and maintain books and records for its financial activity. Additionally, we recommend the Commission maintain copies of bank statements and perform bank reconciliations. We also recommend the Commission improve its internal controls over disbursements by documenting dates of receipt and approval, timely paying invoices, and ensuring the disbursement amounts paid are accurate. Finally, we recommend the Commission develop a fair and reasonable allowance for doubtful accounts and ensure contracts include all cost information, the signatures of authorized parties, and the date of execution.

COMMISSION RESPONSE

The Commission declined to provide a response.

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS

For the Two Years Ended December 31, 2016

2016-003. **FINDING** (Inadequate Monitoring of the Illinois Finance Authority)

The Metro East Police District Commission (Commission) did not monitor the activities of the Illinois Finance Authority (Authority).

In accordance with the Metro East Police District Act (70 ILCS 1750/15), the Commission entered into an interagency agreement with the Authority to establish the Metro East Police District Fund (Fund), which is maintained by the Authority separately from all other accounts and funds under the control of the Authority. During the examination period, the Commission deposited all of its receipts from the St. Clair County Circuit Clerk into the Fund and requested disbursements of moneys from the Fund to pay its obligations (see Comparative Cash Basis Schedule of Receipts, Disbursements, and Fund Balance on page 24).

During testing, the following weaknesses and deficiencies were identified:

- The Commission does not have policies or procedures to ensure the completeness and accuracy of receipts sent to the Authority and deposited in the Commission's account.
- Five of 36 (14%) receipts tested, totaling \$826, were not fully supported by the documentation the Authority provided to the Commission. Additionally, \$12 of the Commission's receipts could not be traced back to the Circuit Clerk of St. Clair County's *Metro Police Commission Fine Activity Reports*.
- The Commission was unable to provide supporting case file documentation to substantiate new fines, payments, and adjustments from St. Clair County.
- The Commission did not adopt a written investment policy nor invest or deposit public funds with minority-owned financial institutions within the State.

The Commission is ultimately responsible for the activities the Authority conducts on its behalf. Good internal controls require the Commission to determine the accuracy and validity of its receipts. The Public Funds Deposit Act (30 ILCS 225/1) requires custodians of public funds invest moneys not needed for immediate disbursement within two working days at prevailing rates or better. In addition, the Public Funds Investment Act (30 ILCS 235/2.5) requires the Commission invest its public funds pursuant to a written investment policy adopted by the Commission. Further, the Public Funds Investment Act (30 ILCS 235/7) requires custodians of public funds to invest or deposit such funds with or in minority-owned financial institutions within

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this State to the extent permitted by both the Public Funds Investment Act and by the lawful and reasonable performance of the custodian's duties.

Commission officials stated they lack the resources to adequately monitor the activities of the Authority.

Failure to ensure receipts are properly supported and agree with other parties could result in errors or other irregularities going undetected by the Commission. Additionally, failure to ensure the Authority invested the Commission's moneys not needed for immediate disbursement resulted in foregone investment income and represents noncompliance with the Public Funds Deposit Act. Further, failure to adopt a written investment policy represents noncompliance with the Public Funds Investment Act and limits the ability of the Commission to provide direction to the Illinois Finance Authority concerning investing the Commission's moneys not needed for immediate disbursement. (Finding Code No. 2016-003)

RECOMMENDATION

We recommend the Commission work with the Authority to monitor their activities and to invest the Commission moneys not needed for immediate disbursement at prevailing rates or better and approve a written investment policy. Further, the Commission should work with the Circuit Clerk of St. Clair County to ensure its receipts are complete, accurate, and supported with proper documentation.

COMMISSION RESPONSE

The Commission declined to provide a response.

METRO EAST POLICE DISTRICT COMMISSION
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2016-004. **FINDING** (Procedural Deficiencies)

The Metro East Police District Commission (Commission) did not comply with certain statutory requirements.

During testing, we noted the following:

- The Commission provided a listing of the current Commission members (see pages 1-2). However, we were unable to determine when Commission members departed or were appointed during Calendar Year 2015 and Calendar Year 2016. As a result, the Commission could not provide a complete and accurate listing of all Commission members and their dates of service during Calendar Year 2015 and Calendar Year 2016.

Due to this condition, we were unable to conclude whether the Commission's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Commission's statements of economic interest, training records as required by the Open Meetings Act, and Commissioner oaths of office.

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed the following tests:

- The following exceptions were noted during review of statement of economic interest filed with the Secretary of State and St. Clair County Clerk during Calendar Year 2015 and Calendar Year 2016:
 - The Commission did not retain documentation to support it had submitted a listing of individuals required to file the annual statement of economic interest statements filed with the Secretary of State and St. Clair County Clerk by February 1, 2015, and February 1, 2016.
 - We identified 31 statements of economic interest were filed by Commission members with the Secretary of State and/or the St. Clair County Clerk during Calendar Year 2015 and Calendar Year 2016. Eleven (35%) of these statements were filed between 1 and 21 days late.

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- The Commission did not have any policies or procedures to review statements of economic interest for any conflicts prior to submission.

The Illinois Governmental Ethics Act (Act) (5 ILCS 420/4A-106) requires the Commission file, on or before February 1 each year, the names and addresses of persons required to file a statement of economic interests with the Secretary of State and St. Clair County Clerk. Further, the Act (5 ILCS 420/4A-101(h)) also requires persons appointed to the governing board of a local government, or special district, file a verified written statement of economic interests. Lastly, the Illinois Governmental Ethics Act (5 ILCS 420/4A-105) generally requires statements of economic interest to be filed by May 1 each year.

- The Commission did not provide support for Commission member completion of required trainings under the Open Meetings Act.

The Metro East Police District Act (70 ILCS 1750/10(g)) notes the Commission is subject to the Open Meetings Act. The Open Meetings Act (5 ILCS 120/1.05(b)) requires the commissioners complete the Attorney General's Public Access Counselor's electronic training curriculum no later than 90 days after taking the oath of office or assuming the responsibilities of a member of the Commission.

- The Commission did not provide oaths of office for Commission members serving during the examination period.

The Metro East Police District Act (70 ILCS 1750/10(d)) requires each member of the Commission to take an oath of office.

- The Commission did not prepare a biennial report covering the Commission's operations during the two years ended December 31, 2016, and a statement of its anticipated programs during the next two calendar years.

The Metro East Police District Act (70 ILCS 1750/10(e)) requires the Commission submit a report to the General Assembly pursuant to the General Assembly Organization Act (25 ILCS 5/3.1) no later than March 1 of each odd-numbered year covering its operations during the past two calendar years and its anticipated programs during the next two calendar years.

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- The Commission has not submitted lists or schedules of the Commission's records to the Local Records Commission proposing the length of time each records series warrants retention for administrative, legal, or fiscal purposes. Further, the Commission has not submitted lists or schedules of its public records no longer needed to transact current business that do not warrant retention for administrative, legal, or fiscal purposes.

The Local Records Act (50 ILCS 205/10) requires the Commission submit lists or schedules of the Commission's records to the Local Records Commission proposing the length of time each records series warrants retention for administrative, legal, or fiscal purposes. In addition, the Commission must submit lists or schedules of its public records to the Local Records Commission for its approval prior to disposing of records not needed in the transaction of current business and do not warrant retention for administrative, legal, or fiscal purposes.

- The Commission did not adopt a budget for Calendar Year 2015 and Calendar Year 2016.

The Metro East Police District Act (70 ILCS 1750/10(d)) requires the Commission adopt an annual budget. The Illinois Municipal Budget Law (50 ILCS 330/3) requires the Commission:

- adopt a budget and appropriations in such sums as deemed necessary to defray all of the necessary expenses and liabilities of the Commission;
- prepare the budget with a statement of all cash on hand at the beginning of the fiscal year, an estimate of cash expected to be received during the fiscal year from all sources, an estimate of all expenditures contemplated for the fiscal year, and an estimate of taxes, if any, to be reasonably expected to be received;
- make its proposed budget available for, at least, 30 days before taking final action on the budget;
- hold, at least, one public meeting prior to adopting the budget; and,
- publish, in an English language newspaper published in St. Clair County, notice of the public hearing at least 30 days prior to the time of the public hearing with the time and place the public can inspect the proposed budget.

METRO EAST POLICE DISTRICT COMMISSION
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- The Commission has not designated an individual to serve as the Commission’s Freedom of Information Act Officer. As such, the Commission’s Freedom of Information Act Officer did not complete the Attorney General’s Public Access Counselor’s electronic training curriculum.

Further, the Commission has not:

- developed procedures to have all Freedom of Information Act requests get promptly forwarded to the Freedom of Information Act Officer;
- promulgated rules and regulations pertaining to the availability of records and procedures followed, including the times and places records will be made available and the person from whom such records may be obtained;
- developed lists of categories of documents immediately disclosed upon request; and,
- maintained and updated a reasonably detailed and current list, which is available for inspection and copying, of all types or categories under its control.

The Metro East Police District Act (70 ILCS 1750/10(g)) notes the Commission is a public body subject to the Freedom of Information Act. The Freedom of Information Act (5 ILCS 140/3.5) requires the Commission designate one or more officials or employees to serve as its Freedom of Information Act Officer, who must develop lists of categories of documents immediately disclosed upon request and complete the Attorney General’s Public Access Counselor’s electronic training curriculum within 30 days after becoming the Freedom of Information Officer and annually thereafter. Further, the Freedom of Information Act (5 ILCS 140/3) requires the Commission immediately forward any Freedom of Information Act requests to its Freedom of Information Act Officer and promulgate rules and regulations pertaining to the availability of records and procedures followed, including the times and places records will be made available and the person from whom such records may be obtained. Finally, the Freedom of Information Act (5 ILCS 140/5) requires the Commission “maintain and make available for inspection and copying a reasonably current list of all types or categories of records under its control.”

- The Commission did not elect officers during Calendar Year 2015 or Calendar Year 2016.

The Metro East Police District Act (70 ILCS 1750/10(d)) requires the Commission hold an annual meeting to elect a chair, vice-chair, secretary, and treasurer.

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
SCHEDULE OF FINDINGS
For the Two Years Ended December 31, 2016

- The Commission did not hold a meeting in September 2016.

The Metro East Police District Act (70 ILCS 1750/10(d)) requires the Commission hold monthly meetings to conduct its business.

Commission officials attributed these procedural deficiencies to lack of resources.

Failure to implement internal controls to provide reasonable assurance the Commission complied with applicable provisions of the Illinois Governmental Ethics Act, the Metro East Police District Act, Local Records Act, Open Meetings Act, Illinois Municipal Budget Law, and Freedom of Information Act represents noncompliance with State law. (Finding Code No. 2016-004)

RECOMMENDATION

We recommend the Commission implement procedures to comply with applicable provisions of State law, or seek a legislative remedy.

COMMISSION RESPONSE

The Commission declined to provide a response.

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended December 31, 2016

SUPPLEMENTARY INFORMATION FOR COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:

Comparative Cash Basis Schedule of Receipts, Disbursements, and Fund Balance (Not Examined)

Comparative Cash Basis Schedule of Distribution Account Activity (Not Examined)

- Analysis of Operations (Not Examined):

Commission Functions and Planning Program (Not Examined)

Analysis of Significant Variations in Disbursements (Not Examined)

Analysis of Significant Variations in Receipts (Not Examined)

Analysis of Accounts Receivable (Not Examined)

Metro East Police District Map (Not Examined)

Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for Compliance Purposes presented in the Compliance Report Section states that because of the significance of the matters described in items 2016-001 through 2016-004 in the accompanying schedule of findings, it is inappropriate to, and we do not, express an opinion on the supplementary information.

**METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
COMPARATIVE CASH BASIS SCHEDULE OF RECEIPTS,
DISBURSEMENTS, AND FUND BALANCE**

(NOT EXAMINED)

For the Calendar Year Ended December 31,

	Calendar Year		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>METRO EAST POLICE DISTRICT FUND</u>			
Beginning Cash Balance	\$ 25,807	\$ 35,484	\$ 45,936
<u>Receipts</u>			
\$100 Fine for DUI and Felony Convictions	\$ 2,186	\$ 1,917	\$ 2,027
Interest Income	31	6	-
Total Receipts	<u>\$ 2,217</u>	<u>\$ 1,923</u>	<u>\$ 2,027</u>
<u>Disbursements</u>			
Contractual Services	\$ 12,744	\$ 11,600	\$ 10,800
Background Checks	1,600	-	-
New Facility Development	8,000	-	-
Reimbursements to the Illinois Finance Authority	140	-	1,679
Total Disbursements	<u>\$ 22,484</u>	<u>\$ 11,600</u>	<u>\$ 12,479</u>
Ending Cash Balance	<u>\$ 5,540</u>	<u>\$ 25,807</u>	<u>\$ 35,484</u>

Note 1: The data within this schedule was taken directly from the Illinois Finance Authority's records. The Commission did not maintain any accounting records or bank statements, as noted in Finding 2016-002.

Note 2: Disbursement amounts are vouchers approved for payment by the Commission and submitted by the Commission to the Illinois Finance Authority for approval. After the Illinois Finance Authority approves the Commission's disbursement request, the Illinois Finance Authority wire transfers the exact amount due to the Commission's vendors to its distribution account at a bank. Finally, the Commission generates a check to pay its vendors from its distribution account.

**METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
COMPARATIVE CASH BASIS SCHEDULE OF
DISTRIBUTION ACCOUNT ACTIVITY**

(NOT EXAMINED)

For the Calendar Year Ended December 31,

	Calendar Year		
	2016	2015	2014
<u>DISTRIBUTION ACCOUNT</u>			
Beginning Cash Balance	\$ 4	\$ 4	\$ -
<u>Receipts</u>			
Transfers from the Illinois Finance Authority	\$ 22,484	\$ 11,600	\$ 12,479
Total Receipts	\$ 22,484	\$ 11,600	\$ 12,479
<u>Disbursements</u>			
Distributions to Vendors	\$ 22,484	\$ 11,600	\$ 12,465
Net Bank Fees, Not Reversed	-	-	10
Total Disbursements	\$ 22,484	\$ 11,600	\$ 12,475
Ending Cash Balance	\$ 4	\$ 4	\$ 4

Note 1: The data within this schedule was developed based upon records obtained from the Illinois Finance Authority and from Commission records approving invoices for payment. The Commission did not maintain financial records or prepare account reconciliations, as noted in Finding 2016-002.

Note 2: Disbursement amounts are vouchers approved for payment by the Commission and submitted by the Commission to the Illinois Finance Authority for approval. After the Illinois Finance Authority approves the Commission's disbursement request, the Illinois Finance Authority wire transfers the exact amount due to the Commission's vendors to its distribution account at a bank. Finally, the Commission generates a check to pay its vendors from its distribution account.

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended December 31, 2016

(NOT EXAMINED)

Commission Functions

The Metro East Police District Commission (Commission) is a special district and unit of local government existing under the laws of the State of Illinois. The jurisdiction, supervision, powers, and duties of the Commission are enumerated in the Metro East Police District Act (70 ILCS 1750).

The origins of the Commission began on January 1, 2013, when the General Assembly created the Metro East Police District (District). The Commission was created to advance the cause of public safety and law enforcement for the residents of the District. Without further action by the General Assembly, the District will cease by operation of law on December 31, 2019.

The District is located within St. Clair County, Illinois. It includes the City of East St. Louis, the Village of Washington Park, the Village of Alorton, and the Village of Brooklyn.

The Commission is required to be governed by a Board consisting of fourteen appointed voting members and three ex-officio members who can vote in the case of a tie vote. The Commission's membership currently consists of the following:

- seven voting members appointed by the Governor of the State of Illinois with the advice and consent of the Senate;
- four voting members appointed by the Mayor of East St. Louis, with the advice and consent of the East St. Louis City Council;
- one voting member appointed by each one of the Village Presidents of Washington Park, Alorton, and Brooklyn, with the advice and consent of each respective village's board; and,
- three ex-officio members, including the Director of the Illinois State Police, the State's Attorney of St. Clair County, and the Director of the Southern Illinois Law Enforcement Commission, or their designees.

The Commission is responsible for the following duties:

- accepting and expending financial resources to benefit the police departments within the District;
- establishing rules and regulations that police departments within the District must adopt to receive financial assistance;
- assuming for the police departments within the District the authority to make application for and accept financial grants or contributions of services from any public or private source for law enforcement purposes;
- developing a comprehensive plan for the improvement and maintenance of facilities for law enforcement within the District; and,

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended December 31, 2016

(NOT EXAMINED)

- advancing the police departments within the District towards accreditation by the Commission for the Accreditation of Law Enforcement Agencies by January 1, 2016.

The Commission, with the help of the United States Department of Justice's Office of Justice Programs (DOJ), has completed a number of key events and outreach efforts that have deepened the Commission's understanding of the District and the District's needs. The Commission continues to work with the DOJ to accomplish the goals and duties of the Commission.

Planning Program

The Commission is currently addressing recommendations provided in a report prepared by the DOJ. The report included recommendations to the Commission to improve the accountability, professionalism, ethics, policing skills, data analytics, and shared services of police departments within the District. This report establishes strategic plans and actions the Commission and the District's police departments can implement together to improve public safety within the District.

Since Calendar Year 2013, the Commission has disbursed \$56,112 to support its operations, but has only collected receipts of \$7,303 from the \$100 fine for committing a felony or driving under the influence within the District. Commission officials do not have any plans to address this negative trend, which will eventually consume the Commission's fund balance. Without operational changes and/or a legislative remedy, the continuing negative trend will hinder the Commission's ability to meet its statutory obligations.

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN DISBURSEMENTS
For the Two Years Ended December 31, 2016

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN DISBURSEMENTS BETWEEN
CALENDAR YEARS 2015 AND 2016**

Metro East Police District Fund

Background Checks

The increase was due to the Commission paying for background checks of police officers at the Washington Park Police Department. The Commission decided in August 2016 to begin to take on such role.

New Facility Development

The increase was due to the Commission paying an invoice for design plans to develop a combined police facility for all four communities within the District.

Reimbursements to the Illinois Finance Authority

The increase was due to the Commission paying nine invoices for the administrative fee equal to 3% of the Commission's total receipts received by the Illinois Finance Authority during Calendar Year 2016 for the following periods:

- All four quarters of Calendar Year 2014
- Last three quarters of Calendar Year 2015
- First two quarters of Calendar Year 2016

**ANALYSIS OF SIGNIFICANT VARIATIONS IN DISBURSEMENTS BETWEEN
CALENDAR YEARS 2014 AND 2015**

Metro East Police District Fund

Reimbursements to the Illinois Finance Authority

The decrease was due to the Commission not processing any invoices to reimburse the Illinois Finance Authority the 3% administrative fee during Calendar Year 2015.

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended December 31, 2016

(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN CALENDAR YEARS 2015 AND 2016

Metro East Police District Fund

Interest Income

The increase was due to the Commission earning a full year of interest on their account with the Illinois Finance Authority in Calendar Year 2016. In Calendar Year 2015, interest was only earned on the account for two months.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN CALENDAR YEARS 2014 AND 2015

Metro East Police District Fund

Interest Income

The increase was due to the Commission earning two months (November and December) of interest on their account with the Illinois Finance Authority in Calendar Year 2015. In Calendar Year 2014, no interest was earned on the account.

**METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
ANALYSIS OF ACCOUNTS RECEIVABLE**

(NOT EXAMINED)

For the Calendar Year Ended December 31,

	Calendar Year		
	2016	2015	2014
<u>Metro East Police District Commission</u>			
Receivables Not Past Due	\$ 17,336	\$ 15,159	\$ 12,678
1 - 90 Days	1,466	1,154	675
91 – 180 Days	-	-	-
181 Days – 1 Year	1,964	2,045	740
1 Year <= 2 Years	3,864	1,414	100
2 Years <= 3 Years	1,515	100	-
3 Years <= 4 Years	100	-	-
4 Years <= 5 Years	-	-	-
5 Years <= 10 Years	-	-	-
> 10 Years	<u>77</u>	<u>-</u>	<u>-</u>
Gross Receivables	\$ 26,322	\$ 19,872	\$ 14,193
Less: Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>-</u>
Net Receivables	<u>\$26,322</u>	<u>\$ 19,872</u>	<u>\$ 14,193</u>

Note 1: The St. Clair County Circuit Clerk and the St. Clair County State's Attorney's Office oversee and coordinate both an internal and external collections process for the collection of unpaid fines and fees assessed by the Circuit Court of St. Clair County, including fines and fees owed to the Metro East Police District Commission Fund. Internally, a collections docket for defendants is scheduled every two weeks. Externally, the St. Clair County Circuit Clerk contracts with an external collection agency to conduct external collections consistent with unpaid debt collection practices.

Note 2: These amounts represent receivables related to the \$100 fine imposed upon defendants by a Circuit Court after a judgment of guilty or a grant of supervision for each felony or driving under the influence offense committed within the District.

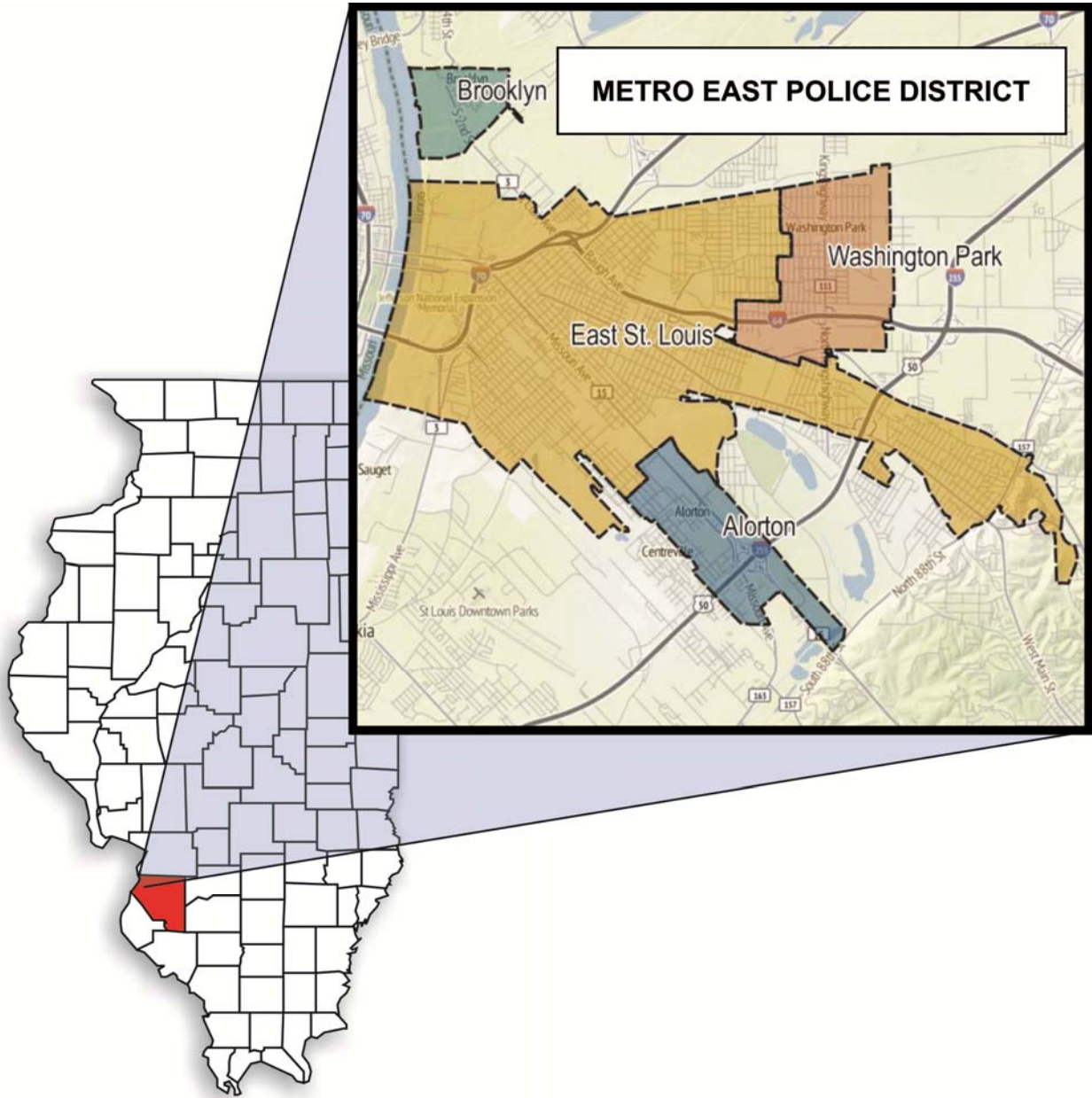
Note 3: The aging schedule of accounts receivable is calculated from the last due date for the fine as set by the Circuit Court of St. Clair County. This date may vary from the date an actual judgment is entered against the defendant due to a request to delay the due date due to the defendant's ability to pay the amount due, subsequent court activity, or other reasons deemed reasonable by the Circuit Court of St. Clair County.

Note 4: Testing of accounts receivables was not able to be completed due to the Commission not providing all requested files for testing, as noted in Finding 2016-002.

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
METRO EAST POLICE DISTRICT MAP
For the Two Years Ended December 31, 2016

(NOT EXAMINED)

The District is located within St. Clair County, Illinois. It includes the City of East St. Louis, the Village of Washington Park, the Village of Alorton, and the Village of Brooklyn.



METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended December 31, 2016

(NOT EXAMINED)

Mission Statement:

To advance the cause of public safety and law enforcement for the residents of the District, including the City of East St. Louis, the Village of Alorton, the Village of Brooklyn, and the Village of Washington Park

Program Goals:

- 1) To apply for, accept and expend grants, loans, or appropriations from the State of Illinois, the federal government, any unit of local government, or any other person or entity to be used for any of the purposes of the District.
- 2) To develop a comprehensive plan for improvement and maintenance of law enforcement facilities within the District.
- 3) To establish by resolution rules and regulations that the police departments within the District may adopt concerning: officer ethics; the carry and use of weapons; search and seizure procedures; procedures for arrests with and without warrants; alternatives to arrest; the use of officer discretion; strip searches and body cavity searches; profiling; use of reasonable force; use of deadly force; use of authorized less than lethal weapons; reporting uses of force; weapons and ammunition; weapons proficiency and training; crime analysis; purchasing and requisitions; department property; inventory and control; issue and reissue; recruitment; training attendance; lesson plans; remedial training; officer training record maintenance; department animals; response procedures; pursuit of motor vehicles; roadblocks and forcible stops; missing or mentally ill persons; use of equipment; use of vehicle lights and sirens; equipment specifications and maintenance; vehicle safety restraints; authorized personal equipment; protective vests and high risk situations; mobile data access; in-car video and audio; case file management; investigative checklists; informants; cold cases; polygraphs; shift briefings; interviews of witnesses and suspects; line-ups and show-ups; confidential information; juvenile operations; offenders, custody, and interrogation; crime prevention and community interface; critical incident response and planning; hostage negotiation; search and rescue; special events; personnel, equipment, and facility inspections; victim/witness rights, preliminary contact, and follow up; next of kin notification; traffic stops and approaches; speed-measuring devices; DUI procedures; traffic collision reporting and investigation; citation inventory, control, and administration; escorts; towing procedures; detainee searches and transportation; search and inventory of vehicles; escape prevention procedures and detainee restraint; sick and injured detainees and detainees with disabilities; vehicle safety; holding facility standards; collection and preservation of evidence including but not limited to photos, video, fingerprints, computers, records,

METRO EAST POLICE DISTRICT COMMISSION
COMPLIANCE EXAMINATION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended December 31, 2016

(NOT EXAMINED)

DNA samples, controlled substances, weapons, and physical evidence; police report standards and format; submission of evidence to laboratories; follow up of outstanding cases; and application for charges with the State's Attorney, United States Attorney, Attorney General, or other prosecuting authority.

Fund:

Metro East Police District Fund

Statutory Authority:

Metro East Police District Act (70 ILCS 1750)

Accomplishments:

Despite having no funding for staff, the Commission has overseen the development of an unprecedented massive policy and procedure manual for the four police departments and a training regimen based on those policies. In addition, the Commission has spent thousands of volunteer man-hours working with the U.S. Department of Justice's Office of Justice Programs' Diagnostic Center developing a community supported "Shared Services" model for the police departments within the District. Finally, members of the Commission assessed in person the deplorable facilities of the four departments and developed a plan to consolidate the four departments under a single new facility. The detailed plan has been submitted to the General Assembly for inclusion within a future capital development bill. However, this capital development bill has not been passed by the General Assembly. Whatever little funding that has come from fines and fees and asset forfeiture provided to the Commission by the State's Attorney's Office has all been allocated to training and services for the four departments and costs for facilities assessment and development. The Commission is working with the staff of the Illinois Criminal Justice Information Authority to acquire State funding for further implementation of the Commission's mandate. Two of the three goals listed on the preceding page have been accomplished.