

LEGISLATIVE AUDIT COMMISSION



Review of
Department of State Police
Two Years Ended June 30, 2014

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**REVIEW: 4453
DEPARTMENT OF STATE POLICE
TWO YEARS ENDED JUNE 30, 2014**

FINDINGS/RECOMMENDATIONS - 11

**ACCEPTED - 8
IMPLEMENTED - 3**

REPEATED RECOMMENDATIONS - 8

PRIOR AUDIT FINDINGS/RECOMMENDATIONS - 14

This review summarizes the auditors' report of the Department of State Police for two years ended June 30, 2014, filed with the Legislative Audit Commission April 16, 2015. 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 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. The Division of Forensic Services consists of the Forensic Sciences Command and Crime Scene Service Command and provides evidence collection and scientific evidence analysis to assist with the identification and prosecution of offenders, or exoneration, for the Department and other state, federal and local law enforcement agencies. The Division of Administration carries out diverse administrative functions supported by the Logistics Bureau, the Fiscal Management Bureau, the Firearms Services Bureau and the Bureau of Identification. The Division of Administration—Technology Services encompasses the Program Administration Bureau and the Information Services Bureau which are responsible for information technology, data collection/analysis, information sharing, and knowledge development. 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 expert forensic analysis and witness testimony. The Department's forensic science laboratory system is the third largest in the world. The Division of Internal Investigation opened 211 cases into misconduct or wrongdoing by officials, members or employees of any agency, board or commission in the executive branch of Illinois government in FY14.

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Hiram Grau was Director during the audit period. 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 28 years in law enforcement.

The following presents the average number of full-time employees by function for the fiscal years ended June 30:

	FY14	FY13	FY12
Operations	1,600	1,601	1,720
Internal Investigations	61	54	52
Forensics	419	438	458
Administration	217	192	196
Academy	60	80	28
Shared Services	17	16	20
Special Funds	345	352	386
TOTAL	2,719	2,733	2,860

The following table presents a comparison of activities and performance for the fiscal years ended June 30:

	FY14	FY13	FY12
Number of Impaired Driving Citations	12,872	10,229	9,919
Number of Speeding Citations	133,315	143,886	153,241
Number of Motor Carrier Inspections	86,727	46,945	46,848
Number of Criminal Investigative Cases Open	5,205	5,391	5,919
Number of Criminal Investigative Cases Closed	2,042	2,590	2,701
Number of DNA Cases Worked	6,086	4,790	4,982
Number of Forensic Cases Worked	91,878	94,550	101,076
Number of Crime Scenes Processed	3,736	2,337	2,328
Number of Inquiry Transactions Processed (LEADS)	94,549,443	92,472,316	91,810,697
Number of FOID Applications Processed	186,302	434,312	303,154
Number of Identification Inquiries	928,126	881,834	868,088
Total Internal Investigation Cases Opened	211	265	285
Number of Employment Background Checks Completed	1,001	757	0
Criminal History Analyses Conducted at Nursing Homes	2,573	2,796	0

Expenditures From Appropriations

Appendix A presents a summary of appropriations and expenditures for FY14, FY13 and FY12. The General Assembly appropriated a total of \$448,973,500 to the Department in FY14. Total expenditures were \$374,463,198 in FY14, compared to \$339,109,987 in FY13, an increase of \$35.3 million, or 10.4%.

In FY14, the Department received lump sum appropriations for operations in the General Revenue Fund rather than individual appropriations designated for specific purposes as in FY13 and FY12.

Approximately 76.3% of the Department's appropriations were from the General Revenue Fund. The increase in expenditures in FY14 was attributed to \$40.3 million in spending from the General Revenue Fund related to operations, which is mostly personnel costs. The decrease of \$3 million in the Whistleblower Reward & Protection Fund was due to a reduction in personal services in FY14. The \$2.9 million increase in the State Police Services Fund was due to additional construction zone patrols by officers during FY14. Lapse period expenditures were \$71.1 million, or 19%, in FY14.

Cash Receipts

Appendix B provides a summary of the Department's cash receipts for FY14, FY13 and FY12. Total cash receipts were almost \$64.8 million as of June 30, 2014, compared to \$59.3 million for FY13, an increase of \$5.5 million, or 9.3%. The change in receipts was due primarily to the following:

- \$8.1 million increase in the Firearms Services Fund, a new fund in FY14;
- \$2 million increase in reimbursements from state agencies and local governments in the State Police Services Fund;
- \$2.9 million decrease in the Federal Projects Fund; and
- \$2 million decrease in the State Police Operations Assistance Fund due to fewer donations.

Property and Equipment

Appendix C summarizes the changes in property and equipment. The beginning balance as of July 1, 2012 was \$281,907,779, and the ending balance was \$279,502,018 as of June 30, 2014, a decrease of \$2.4 million, or 0.9%. Of the ending balance, approximately \$206.4 million was in equipment; \$63.2 million in buildings and building improvements; \$8.1 million in capital leases; and the remaining \$1.7 million in land and land improvements.

Accounts Receivable

According to the audit report, net accounts receivable of the Department at June 30, 2014 was \$2.3 million compared to \$2.5 million in FY13. The vast majority of net receivables were current and due to the Road Fund for overweight fines.

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, 2014, 11 of the audit's recommendations were implemented and five were partially implemented. The partially implemented recommendations were as follows:

- #1 Develop a comprehensive plan to address the environmental issues at the forensic labs.
- #2 Take steps necessary to determine whether all fines are being collected and the funds submitted to the Department.
- #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.
- #5 Conduct a formal study of appropriate staffing levels for DFS.
- #7 Develop a formal plan for reducing or eliminating backlogs of forensic services cases.

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, 2014, five of the audit's recommendations were implemented, four were partially implemented, and three were repeated. The partially implemented and repeated recommendations are 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.
- #2 Work with the Circuit Courts and Circuit Court Clerks to ensure that the necessary prohibiting mental health information is submitted to ISP.

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- #3 Work with DHS and the hospitals, nursing homes, clinicians, and other entities required to report prohibiting mental health information to the DHS-FOID system.
- #4 Ensure that information reported to the National Instant Criminal Background Check system is submitted completely, accurately and timely, and updated as necessary.
- #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.
- #8 Identify FOID applications that are not being processed timely.
- #11 Ensure that FOID card program numbers reported in the Annual Report are accurate and reliable.

Accountants' Findings and Recommendations

Condensed below are the 11 findings and recommendations presented in the audit report. There were eight repeated recommendations. The following recommendations are classified on the basis of updated information provided by Michael T. Yokley, Chief Fiscal Officer, Illinois State Police, received via electronic mail on February 23, 2016.

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. Lastly, 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 Department did not exercise adequate control over the recording and reporting of its State property and equipment. Auditors noted the following during testing:

- The Department did not have adequate controls over lost or missing property. Auditors noted 39 of 57 (68%) items listed as lost or missing could possibly have confidential information stored on them.

Department personnel stated they did not keep a listing of what information would have been stored on those items. Therefore, there is no way of knowing if the items included confidential data.

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- The Department was unable to reconcile the differences noted between the Object Expense/Expenditures by Quarter Report (SA02) and the C-15 reports. Differences totaled (\$1,287,199) in FY13 and \$675,853 in FY14.

Department personnel stated they do not reconcile the property system with the SA02. Reconciliations are done monthly between the Department's property system and the report FIS2901A from FOCUS.

- 40 of 60 (67%) items, totaling \$189,282, were added to the Department's inventory records between two and 674 days late.
- 15 of 60 (25%) items, totaling \$17,233, were deleted from the Department's inventory records between 31 and 255 days late.
- Eight of 66 vouchers, totaling \$148,822, included items that were not added to the Department's inventory records.
- Two of 60 items, totaling \$1,167, were deleted from Department records. However, the Department did not maintain documentation to support the date the items were deleted. Therefore, auditors were unable to determine if items were timely removed from the property records.
- Two of 60 purchases, totaling \$4,908, did not include documentation of date received. Therefore, auditors were unable to determine if items were timely added to the property records.

In the prior audit, the Department stated they could not provide a reason why items were not updated timely and stated they would work to correct this. Currently, Department personnel stated oversight and employee error contributed to the errors noted.

- Five of 60 equipment items, totaling \$4,092, were not reported with an accurate value on the deletion/transfer document. Differences between the amounts reported on the deletion/transfer document and Department inventory records ranged from \$3 to (\$1,177).
- Three of 30 items were found in a different location than indicated on the equipment listing.

Department personnel stated oversight and employee error contributed to the errors noted.

Updated Response: Accepted. The PSSSC continues to work to process property transactions within the allowable timeframes and ensure accurate information is entered into the system. The ISP continues to struggle with property control being located outside of the agency therefore delaying processing of paperwork as well as removing property control subject matter experts from the agency.

Accepted or Implemented – continued

- 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)**

Finding: The Department did not accurately record and report accounts receivable noted on the Quarterly Summary of Accounts Receivable Reports (Reports) to the Office of the State Comptroller.

During testing, auditors noted 30 of 112 Reports were inaccurate and did not agree to the support provided by the Department. Auditors noted differences in accounts receivable amounts (i.e. payments, adjustments, beginning, and ending balances). Gross accounts receivable totaled \$2,885,000 in FY13 and \$2,848,000 in FY14.

Department personnel stated payments have not been entered into the system since 2008, when a staff position became vacant. This position is no longer funded and, therefore, accounts receivable continues to grow rapidly due to a lack of payment postings. Department personnel also stated charges and payments were entered as adjustments to correct prior period balances and then they used net amounts. In the prior year, Department personnel attributed errors to staffing changes and estimates used because of an error made during the posting of payments.

Updated Response: Accepted. The PSSSC continues to work to ensure accurate and timely reporting of accounts receivable.

- 3. Strengthen procedures and allocate necessary resources to properly report and fully pursue collections on delinquent accounts receivable. 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 Office of the State Comptroller's (Comptroller) 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 12 receivable accounts with a balance of \$158,058 and noted 11 accounts had balances greater than \$250. The last activity dates (i.e. last time Department attempted to collect) for these 12 accounts ranged from October 31, 2008 through December 16, 2013.

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

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funded. Department personnel determined this to be the cause in the prior engagement as well.

Updated Response: Accepted. The position responsible for this function remains vacant. Current staff attempt to work on collections as often as possible; however, the resources are not available to pursue this effort fully.

4. Develop and implement a project management framework and tools to provide adequate oversight of Information Technology (IT) projects. In addition, update and require utilization of the system development methodology over the development of Department IT projects. (Repeated-2010)

Finding: The Department lacked a project management framework and tools to ensure adequate control over Information Technology (IT) projects.

Since 2010, auditors have noted that the Department did not have a project management framework or tools to ensure the projects meet the State's and Department's goals and objectives. Although the Department had a system development methodology dated June, 2002, it was not utilized.

During the audit period, the Department contracted for the development of the Concealed Carry License system and completed the development of the Criminal History Inquiry Record Process system in-house. However, without a project management framework or the utilization of a system development methodology, there were no formal and documented requirements to assist in the planning, development, testing, implementation, and overall project management.

Department management stated that a Project Management framework and methodology has been very difficult to achieve due to other Departmental priorities, lack of funding, and lack of resources dedicated to a formal Project Management Office.

Updated Response: Accepted. ISP acknowledges the lack of project management framework for IT projects. Currently the Department does not have the resources to implement a project management office and IT resources continue to decrease due to a fast attrition rate and a slow hiring process.

The State as a whole has acknowledged the lack of IT Project Management. This was recognized by the Governor, who has created the Department of Innovation and Technology (DoIT) to deal with this issue through the creation of a Project Management Office (PMO). The Information Services Bureau at ISP will be transformed into the DoIT and will use the PMO for all project management. This transformation will begin on July 1, 2016.

Accepted or Implemented – continued

5. Review the policies/procedures for protecting confidential information, focusing on security through proper application security settings, storage, disclosure, redaction, and encryption procedures; additionally:
- Install automatic encryption software on all laptops and secure and encrypt confidential data transmitted through the network.
 - Implement procedures to ensure the certification of overwriting of computers and surplus EDP equipment prior to being sold, donated or transferred.
 - Complete a risk assessment to evaluate the computer environment and data maintained to ensure adequate security controls have been established.
 - Ensure password security content and change interval settings conform to policy requirements.
 - Disable the default administrator account.
 - Routinely review administrator accounts to ensure appropriateness and maintain documentation supporting the need for such access. (Repeated-2010)

Finding: The Department did not maintain adequate security controls over computer systems or safeguards over 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 completed a risk assessment of its computing resources to identify confidential or personal information to ensure such information was protected from unauthorized disclosure.
- Had not deployed encryption software on all laptops.
- Did not maintain certification of overwriting or destruction of computers or surplus EDP equipment as required by the Data on State Computers Act (20 ILCS 450).
- Had not effectively implemented available security controls. For example, password content and change interval settings did not conform to policy requirements, a powerful default administrator account had not been disabled, and documentation supporting the assignment of powerful administrative accounts was not available.

Department management communicated their commitment to privacy and security with regard to sensitive information. According to the Department, the security measures discussed above would require software solutions and support resources the Department does not currently have. Department officials stated the acquisition of additional hardware, software, and support resources to expand the Department's security capabilities is not currently funded.

Updated Response: Accepted. All information is encrypted on the network while it is being transmitted. However, ISP acknowledges that encryption at rest is not deployed on all devices. ISP is developing a plan to encrypt all computers on the ISP network.

ISP is also participating in a statewide effort to encrypt all Personal Identifiable Information (PII) at rest. An evaluation of the environment has been completed and work is progressing on encrypting the data. ISP will have half of the known PII data encrypted by the end of February 2016 and is committed to encrypting all data by the end of June 2016.

ISP, like all State agencies, has a significant loss of funding and resources to adequately ensure the security of information across the enterprise. As part of the statewide effort to transform all IT staff under the Department of Innovation and Technology, ISP will be working with IT staff statewide in order to use technical resources that were not available to them in the past. This effort will begin in July 2016.

- 6. Update procedures to adequately provide 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; and**
 - **Segregating duties between individuals requesting changes, programming changes, testing changes and moving changes to production. If programmer access to the production environment is necessary in some situations, 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 change management practices are performed by the 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.

To establish requirements addressing changes to information technology resources utilized by the Department's various bureaus, 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. During testing, auditors reviewed 25 changes noting:

- Eleven of the 25 changes were moved to the production environment by the developer. The documentation supporting the remaining 14 change requests did not provide sufficient detail to determine if duties were properly segregated.

Accepted or Implemented – continued

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

Department officials stated that most of the Department's systems have a Development, Test, and Production environment. Procedures currently support going from the Test environment directly to Production without deployment and stabilization in a Staging environment. According to Department officials, the cost to implement and maintain a Staging environment across the multitude of diverse computing environments at the Department is cost prohibitive in terms of hardware, software, and human resources. The Department is attempting to standardize all applications onto a single platform. According to the Department, once completed, the cost to acquire, implement and maintain a Staging environment would be more obtainable.

Updated Response: Accepted. ISP acknowledges that change management procedures do not have the adequate separation of duties required for the proper checks and balances needed. ISP has had a continual drop in staff over the last 13 years from 130 to 57. Hiring practices and lack of a budget or decrease in budget have only compounded this issue by not keeping up with attrition. With a lack of resources, ISP has been forced to combine traditionally separated roles in order to meet mission requirements. As part of a Statewide consolidation of IT, the Department of Innovation and Technology will be put into place on July 1, 2016 and is expected to deal with many of these issues.

7. Ensure commodities transactions and adjustments are timely and accurately recorded and sufficient documentation is maintained for these transactions and adjustments.

Finding: The Department did not maintain sufficient controls over the recording of State-owned commodities inventory. During testing, auditors noted the following:

- Twelve of 40 commodities items counted did not match the Department's Inventory Records.
- Two of 40 commodities items were surplus over one year and were still on the Department's Inventory Records.

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- The Department's Communication Lab did not maintain records of adjustments made to inventory records during year-end physical counts. Since adjustments were not maintained auditors could not determine the reason for the differences noted between test counts and the Department's test counts.

Department personnel stated the differences are attributable to items being sent to surplus and documentation not retained, items miscounted and new items not yet added to inventory records. Department personnel also stated they were unaware of the requirement to maintain adjustment records.

Updated Response: Accepted. The ISP's Radio Lab Stockroom does NOT have a full time Parts manager and hasn't for a year due to retirement of the former manager. Filling this vacancy would greatly enhance Stockroom operations and tracking of commodities inventories. One ISP Radio Lab Installer/Repairman works part time (1.5 hrs per day) along with a contractual employee from Premier Temporaries in an effort to maintain commodity stock at acceptable and accurate levels. The Premier Temporary has just recently been laid off due to lack of payment by the state to the contract vendor leaving the Stockroom with a part time staff that works in the stockroom 1.5 hrs per work day. The stockroom is using an electronic file format (Excel) to maintain counts for all commodities. Efforts are being made to cross check these counts with periodic physical inventory spot checks to ensure accuracy. Efforts are also being made to ensure timely updates to the electronic file system for parts received and parts used.

8. Amend policies to require all Code employees to maintain time sheets in accordance with the State Officials and Employees Ethics Act. (Repeated-2012)

Finding: The Department did not maintain time sheets in compliance with the State Officials and Employees Ethics Act.

The Department required Code employees to submit time sheets during the examination period. However, the time sheets did not document the time spent each day on official State business to the nearest quarter hour.

Department personnel stated the Department is using outdated timekeeping systems. The Department is a part of the Public Safety Shared Services Center (PSSSC) along with the Department of Corrections (IDOC). According to the Department, there had been movement for a statewide timekeeping solution and IDOC was going to be the pilot agency. The Department, as part of PSSSC, was planning to join the pilot; however, the project has not yet reached the pilot stage. In the prior engagement, the Department noted a similar reason for not maintaining time sheets in compliance with the Act.

Updated Response: Implemented. ISP implemented the CMS eTIME Central Time & Attendance System for code employees on April 1, 2015. The Daily Time Reports function was implemented on June 1, 2015. Changes to policy have been made and it is being staffed.

Accepted or Implemented – concluded

9. Comply with the Illinois Administrative Code and the State Prompt Payment Act to ensure vouchers are approved within the required time frame and the required interest is paid. (Repeated-2004)

Finding: The Department did not exercise adequate controls over voucher processing. During testing, auditors noted the following:

- Ninety of 310 vouchers tested, totaling \$3,616,776, were approved for payment from two to 156 days late.
- Seven of 310 vouchers tested, totaling \$338,699, accrued a required interest payment of \$4,298 which was not paid by the Department.

The Department stated lack of personnel and oversight contributed to the deficiencies noted above. In the prior engagement, Department personnel attributed these issues to insufficient cost center staffing and competing priorities.

Updated Response: Accepted. PSSSC staff are in place to handle vouchering in a timely manner. ISP fiscal software often hinders the processing of vouchers in a timely manner. When the implementation of the ERP is successful, processing times should improve. Additionally, ISP continues to struggle with reduced staffing levels at the cost center level responsible for initial entry of vouchers.

10. Strengthen controls to ensure timely submission of treasurer's drafts to the Comptroller.

Finding: The Department did not submit treasurer's drafts to the Office of the Comptroller (Comptroller) in a timely manner. During testing, auditors noted 23 of 60 receipts tested, totaling \$71,516, were submitted between two and 18 days late.

Department personnel stated the treasurer's drafts were not submitted timely due to staff turnover and conflicting priorities.

Updated Response: Implemented. PSSSC staff are in place to process Treasurer's drafts in a timely manner.

11. Comply with SAMS Procedures to ensure accurate financial information is reported to the Comptroller. Further, review the current process for the preparation and review of the Grant/Contract Analysis (SCO-563), Interfund Activity-Grantee Agency (SCO-567), and Interfund Activity-Grantor Agency (SCO-568) Forms and allocate resources necessary to ensure a thorough review.

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Finding: The Department did not provide the auditors or the Office of the State Comptroller (Comptroller) with accurate Grant/Contract Analysis (SCO-563) Forms, Interfund Activity-Grantee Agency (SCO-567) Forms, and Interfund Activity-Grantor Agency (SCO-568) Forms.

Auditors noted the Department used the wrong Catalog of Federal Domestic Assistance (CFDA) number for one program in four different funds. The expenditures for this program totaled \$710,000.

Department personnel stated the incorrect CFDA was used due to employee error.

Updated Response: Implemented. ISP thoroughly reviews all GAAP forms to ensure correct CFDA numbers are utilized.

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 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 FY14 and FY13, the State Police filed seven emergency purchase affidavits totaling \$824,132 for the following items:

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- \$393,400 for IT and technical resources;
- \$211,012 for contractual services;
- \$186,380 for laboratory supplies;
- \$26,363 for extra help processing FOID applications; and
- \$6,977 for various repairs.

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 2014, the Department reported that 14 employees spent the majority of their work time in locations other than their official headquarters.