



“SAVE ILLINOIS TAXPAYERS” PLEDGE

PART 2- ADVERSARIAL AUDITS TO HUNT DOWN AND END WASTEFUL SPENDING, END CORRUPT PRACTICES, & ELIMINATE MISMANAGEMENT OF TAXPAYER DOLLARS.

POLICY: Create a process and a schedule for auditing each agency of the state *and local* government. These audits must go beyond the ineffectual “Comprehensive Audited Financials Reports” (CAFRs), which are often a pro forma rubber stamp of whatever information a local government entity sends to some accounting firm. True audits will be more adversarial in nature, challenging the government agency or entity to defend its spending decisions and disclose their processes. This policy also requires immediate and appropriate action based on the findings.

The **first step** is to mandate that all government entities which receive state funds, or collect taxes of any kind, send their annual accounts to the Auditor General in a uniform and timely manner. This ensures the data necessary to properly oversee government is available and transparent. The **next step** is for state to contract with independent accounting firms to engage in a well-defined, two-phase process.

1. **Phase 1** is to review the “CAFR reports” of all state agencies and local entities. This discovery process allows for auditors to address simple and obvious issues, develop and promote best practices, and where found, pursue fraud or mismanagement.
2. **Phase 2** auditors will aggressively pursue any and all fraud or mismanagement, including criminal referrals, curtailing employment and/or loss of benefits, claw-back provisions, and other potential avenues to address the waste of taxpayer dollars.

The new auditing process should be overseen by either the Governor’s Office or the Auditor General’s office. Following the precedent of HB5242- Forensic Audit of Medicaid 2010- Independent Auditors should undertake the “adversarial audits”. Unfortunately, the Quinn administration forestalled the express will of the state legislature and never even sent this audit out for bid.

Waste, mis-management, fraud and corruptions are constant. Here are just two recent examples:

1. Dixon, IL: the City Treasurer was indicted on stealing \$53 million. The FBI auctioned off 400 quarter quarter horses for millions in claw-back. 2. Lyons Township, Cook County: The school district treasurer resigned after it was discovered that he paid himself over \$100,000 in sick days without any any oversight or approval from the board. The Treasurer’s pensionable salary increased from \$163,000 to \$296,000 (2010-2011)!