

**STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2010

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2010

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AGENCY OFFICIALS

JOINT COMMITTEE ON ADMINISTRATIVE RULES

Director	Ms. Vicki Thomas
Deputy Director	Ms. Claire Eberle
Office Manager	Ms. Rita Messinger

Agency offices are located at:

700 Stratton Office Building
Springfield, IL 62706

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

CO-CHAIR:
SEN. MAGGIE CROTTY

CO-CHAIR:
REP. ANGELO "SKIP" SAVIANO

EXECUTIVE DIRECTOR:
VICKI THOMAS



700 STRATTON BUILDING
SPRINGFIELD, ILLINOIS 62706
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SEN. J. BRADLEY BURZYNSKI
SEN. RANDALL HULTGREN
SEN. MATTIE HUNTER
SEN. DAN RUTHERFORD
SEN. IRA SILVERSTEIN
REP. JOHN FRITCHEY
REP. LOU LANG
REP. DAVID MILLER
REP. DONALD MOFFITT
REP. ROSEMARY MULLIGAN

MANAGEMENT ASSERTION LETTER

November 10, 2010

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

Dear Auditor General Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Joint Committee on Administrative Rules. 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 Joint Committee on Administrative Rules' compliance with the following assertions during the two-year period ended June 30, 2010. Based on this evaluation, we assert that during the years ended June 30, 2010 and June 30, 2009, the Joint Committee on Administrative Rules has materially complied with the assertions below.

- A. The Joint Committee on Administrative Rules has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Joint Committee on Administrative Rules has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Joint Committee on Administrative Rules has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Joint Committee on Administrative Rules 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. The money or negotiable securities or similar assets handled by the Joint Committee on Administrative Rules on behalf of the State or held in trust by the Joint Committee on Administrative Rules have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Joint Committee on Administrative Rules

A handwritten signature in black ink, appearing to read "Vicki Thomas", written in a cursive style.

Vicki Thomas, Executive Director

A handwritten signature in blue ink, appearing to read "Rita Messinger", written in a cursive style.

Rita Messinger, Office Manager

COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORTS

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	1	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	0	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
10-1	8	Property control and reporting weaknesses	Noncompliance and Significant Deficiency

EXIT CONFERENCE

The Joint Committee on Administrative Rules waived an exit conference in correspondence dated November 3, 2010. Responses to findings were provided by the Executive Director in correspondence dated November 3, 2010.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois Joint Committee on Administrative Rules' compliance with the requirements listed below, 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 June 30, 2010. The management of the State of Illinois Joint Committee on Administrative Rules is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Joint Committee on Administrative Rules' compliance based on our examination.

- A. The State of Illinois Joint Committee on Administrative Rules has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois Joint Committee on Administrative Rules has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois Joint Committee on Administrative Rules has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois Joint Committee on Administrative Rules 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 State of Illinois Joint Committee on Administrative Rules on behalf of the State or held in trust by the State of Illinois Joint Committee on Administrative Rules have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

We conducted our examination 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); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Joint Committee on Administrative Rules' compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Joint Committee on Administrative Rules' compliance with specified requirements.

In our opinion, the State of Illinois Joint Committee on Administrative Rules complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2010. However, the results of our procedures disclosed other instances of noncompliance, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as item 10-1.

Internal Control

The management of the State of Illinois Joint Committee on Administrative Rules 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 State of Illinois Joint Committee on Administrative Rules' internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures 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 State of Illinois Joint Committee on Administrative Rules' internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Joint Committee on Administrative Rules' internal control over compliance.

A *deficiency* in an entity's 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 over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain

deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as item 10-1. A *significant deficiency over compliance* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

The State of Illinois Joint Committee on Administrative Rules' response to the findings identified in our examination is described in the accompanying schedule of findings. We did not examine the State of Illinois Joint Committee on Administrative Rules' response and, accordingly, we express no opinion on the response.

Supplementary Information for State 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 as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the 2009 and 2010 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2008 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management, and is not intended to be and should not be used by anyone other than these specified parties.



Bruce L. Bullard, CPA
Director of Financial and Compliance Audits

November 10, 2010

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2010

10-1. **FINDING** (Property control and reporting weaknesses)

The Joint Committee on Administrative Rules (Committee) did not exercise adequate control over the recording and reporting of its property and equipment. During our testing, we noted the following:

- Freight charges for five equipment items, totaling \$183, were not included in the cost of the item on the Committee's property records resulting in an understatement of \$183. The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.240 (e) (1)) defines the purchase price as the price of the equipment delivered and installed, including delivery and installment costs, if any. Statewide Accounting Management System (SAMS) (Procedure 03.30.20) defines the basic cost of equipment as all of the costs necessary to acquire the asset and place it into service, including freight and handling charges.
- One equipment item purchased, totaling \$799, was not recorded on the Committee's property records resulting in an understatement of \$799. In addition, the item was not included on the Quarterly Reports of State Property submitted to the Office of the Comptroller (IOC). The Code (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items. SAMS (Procedure 29.20.10) requires an agency to report all additions to each asset class that occurred during the quarter being reported.
- The Committee did not timely record 23 equipment items, totaling \$2,850, on its property records. The items were included on the Committee's property records between 43 and 65 days after purchase. The Code (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items.
- In the prior period, we noted the Committee's Quarterly Reports of State Property (C-15's) prepared by the Committee and submitted to the State Comptroller's Office were overstated by \$5,089. The Committee did not correct these errors during the current period and as noted in the bullets above other errors were noted resulting in an overstatement of the Committee's C-15's of \$4,107 as of June 30, 2010. Good business practice requires errors in property records be corrected in a timely manner.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that property and other assets are safeguarded against waste, loss, unauthorized use and misappropriation and assets are properly recorded and accounted

for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Committee personnel stated deficiencies were caused by oversight.

Failure to maintain accurate property control records increases the likelihood of inaccurate inventory records and the potential for fraud and possible loss or theft of State property. In addition, inaccurate property reporting reduces the reliability of Statewide property information. (Finding Code No. 10-1, 08-1, 06-2)

RECOMMENDATION

We recommend the Committee ensure equipment items are recorded at their proper cost and are added to inventory records in a timely manner. We also recommend the Committee thoroughly review all reports prepared from internal records for accuracy before submission to IOC. Lastly, we recommend the Committee correct their property records to account for the overstatement.

AGENCY RESPONSE

JCAR accepts the recommendations and staff will endeavor to be more accurate in the recording of inventory in the future and in the preparation of reports submitted to the State Comptroller. All property records have been corrected.

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

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

- Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts
- Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Variations in Receipts
- Analysis of Significant Lapse Period Spending

- Analysis of Operations:

- Agency Functions and Planning Program
- Interagency Agreement
- Average Number of Employees
- Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2010

P.A. 96-0042 FISCAL YEAR 2010	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures 14 Months Ended August 31	Approximate Balances Lapsed August 31
<u>General Revenue Fund - 001</u>					
Personal Services	\$ 812,200	\$ 812,096	\$ 0	\$ 812,096	\$ 104
State Contribution to Social Security	62,200	59,553	0	59,553	2,647
Operational Expenses	166,300	129,464	8,989	138,453	27,847
Total General Revenue Fund - 001	<u>\$ 1,040,700</u>	<u>\$ 1,001,113</u>	<u>\$ 8,989</u>	<u>\$ 1,010,102</u>	<u>\$ 30,598</u>

Note 1: Appropriations, expenditures and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2009

P.A. 95-0731 FISCAL YEAR 2009	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to August 31	Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
<u>APPROPRIATED FUNDS</u>					
General Revenue Fund - 001					
Personal Services	\$ 833,455	\$ 833,207	\$ 0	\$ 833,207	\$ 248
Employee Retirement					
Contributions Paid by Employer	33,090	33,037	0	33,037	53
State Contribution to State					
Employees' Retirement System	134,805	134,794	0	134,794	11
State Contributions to Social Security	62,130	61,359	0	61,359	771
Contractual Services	50,500	27,241	19,317	46,558	3,942
Travel	17,800	11,818	0	11,818	5,982
Commodities	14,050	11,045	2,349	13,394	656
Equipment	21,650	12,681	2,961	15,642	6,008
Telecommunications	7,850	4,976	451	5,427	2,423
	<u>7,850</u>	<u>4,976</u>	<u>451</u>	<u>5,427</u>	<u>2,423</u>
Total General Revenue Fund - 001	<u>\$ 1,175,330</u>	<u>\$ 1,130,158</u>	<u>\$ 25,078</u>	<u>\$ 1,155,236</u>	<u>\$ 20,094</u>
<u>CONTINUING APPROPRIATED FUNDS</u>					
General Revenue Fund - 001					
Pension Continuing Appropriation	N/A	<u>\$ 40,731</u>	<u>\$ 0</u>	<u>\$ 40,731</u>	N/A
ALL FUNDS					
All Appropriated Funds	\$ 1,175,330	\$ 1,130,158	\$ 25,078	\$ 1,155,236	\$ 20,094
Continuing Appropriated Funds		40,731	0	40,731	
GRAND TOTAL - ALL FUNDS	<u>\$ 1,175,330</u>	<u>\$ 1,170,889</u>	<u>\$ 25,078</u>	<u>\$ 1,195,967</u>	<u>\$ 20,094</u>

Note 1: Appropriations, expenditures and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Years Ended June 30,

	Fiscal Year		
	2010	2009	2008
	P.A. 96-0042	P.A. 95-0731	P.A. 95-0348
<u>APPROPRIATED FUNDS</u>			
General Revenue Fund - 001			
Appropriations (Net of Transfers)	\$ 1,040,700	\$ 1,175,330	\$ 1,237,200
<u>Expenditures</u>			
Personal Services	\$ 812,096	\$ 833,207	\$ 820,320
Employee Retirement			
Contributions Paid by Employer	0	33,037	30,948
State Contribution to State			
Employees' Retirement System	0	134,794	135,906
State Contributions to Social Security	59,553	61,359	60,370
Contractual Services	0	46,558	57,739
Travel	0	11,818	13,396
Commodities	0	13,394	10,812
Equipment	0	15,642	16,093
Telecommunications	0	5,427	5,628
Operational Expenses	138,453	0	0
Total Expenditures	<u>\$ 1,010,102</u>	<u>\$ 1,155,236</u>	<u>\$ 1,151,212</u>
Lapsed Balances	<u>\$ 30,598</u>	<u>\$ 20,094</u>	<u>\$ 85,988</u>
<u>CONTINUING APPROPRIATED FUNDS</u>			
General Revenue Fund - 001			
Pension Continuing Appropriation	\$ 0	\$ 40,731	\$ 0
TOTAL CONTINUING APPROPRIATED FUNDS	<u>\$ 0</u>	<u>\$ 40,731</u>	<u>\$ 0</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 1,010,102</u>	<u>\$ 1,195,967</u>	<u>\$ 1,151,212</u>

Note 1: The FY10 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

Note 2: The Agency received a lump sum appropriation in FY10 for Operational Expenses.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2010

		<u>Equipment</u>
Balance at July 1, 2008	\$	62,928
Additions		59,101
Deletions		0
Net Transfers		<u>(7,120)</u>
Balance at June 30, 2009	\$	<u>114,909</u>
Balance at July 1, 2009	\$	114,909
Additions		1,759
Deletions		0
Net Transfers		<u>(3,056)</u>
Balance at June 30, 2010	\$	<u>113,612</u>

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
COMPARATIVE SCHEDULE OF CASH RECEIPTS
 For the Fiscal Years Ended June 30, 2010

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>General Revenue Fund - 001</u>			
Copy Charges	\$ 471	\$ -	\$ 35
Sales of Annual Report	-	10	19
Jury Duty	15	-	-
Miscellaneous	<u>55</u>	<u>-</u>	<u>-</u>
Total General Revenue Fund	<u>\$ 541</u>	<u>\$ 10</u>	<u>\$ 54</u>
<u>General Assembly Computer Equipment Revolving Fund - 155</u>			
Sale of Database of the Admin. Code	<u>\$ 31,000</u>	<u>\$ 31,000</u>	<u>\$ 32,400</u>
Total General Assembly Computer Equipment Revolving Fund	<u>\$ 31,000</u>	<u>\$ 31,000</u>	<u>\$ 32,400</u>
Total All Funds	<u><u>\$ 31,541</u></u>	<u><u>\$ 31,010</u></u>	<u><u>\$ 32,454</u></u>

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
**RECONCILIATION SCHEDULE OF CASH RECEIPTS
 TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Fiscal Year Ended June 30,

<u>General Revenue Fund - 001</u>	<u>2010</u>	<u>2009</u>
Receipts per Department Records	\$ 541	\$ 10
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 541</u>	<u>\$ 10</u>

<u>General Assembly Computer Equipment Revolving Fund - 155</u>		
Receipts per Department Records	\$ 31,000	\$ 31,000
Add: Deposits in Transit, Beginning of Year	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 31,000</u>	<u>\$ 31,000</u>

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Fiscal Years Ended June 30, 2010

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2009

Employee Retirement Contributions Paid by Employer

The decrease in the Employee Retirement Contributions Paid by Employer was due to this line item not being appropriated in FY10.

State Contribution to State Employees' Retirement System

The decrease in the State Contribution to State Employees' Retirement System was due to Public Act 96-0045, which did not require agencies to make the contribution during Fiscal Year 2010 for employees paid out of the General Revenue Fund.

Operational Expenses

For Fiscal Year 2010, the appropriation process was changed for operating expenses that were paid from the General Revenue Fund. The Joint Committee on Administrative Rules received a lump sum appropriation for operational expenses, not including personal service expenditures, rather than individual appropriations designated for specific purposes.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2009 AND 2008

Contractual Services

The decrease in contractual services expenditures was due to the purchase of a copy machine in the previous fiscal year.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2010

General Revenue Fund – 001

The Joint Committee on Administrative Rules receives minimal receipts. The receipts consist of copy charges, refunds, reimbursement for jury duty, and the sale of annual reports. These receipts are expected to fluctuate between fiscal years. The significant increase in copy receipts was due to a request from a law firm for copies of old rules related to the States lawsuit regarding pharmaceuticals.

General Assembly Computer Equipment Revolving Fund – 155

The Joint Committee on Administrative Rules receives monies from the sale of megabytes of information for updates of the Administrative Code and the Illinois Register collected in the Legislative Information Systems database maintained by JCAR. These receipts are expected to fluctuate between fiscal years based on the number of organizations requesting updates and the amount these organizations prepay.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Fiscal Years Ended June 30, 2010

FISCAL YEAR 2010

There were no significant expenditures made during the lapse period.

FISCAL YEAR 2009

Contractual Services

Contractual service expenditures totaling \$19,317 during the lapse period were primarily due to digitalizing records that needed to be maintained for the courts. The related invoices were not processed until the lapse period.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
ANALYSIS OF OPERATIONS
For the Two Years Ending June 30, 2010

Functions and Planning Program

Functions

The Joint Committee on Administrative Rules (JCAR) was established in 1977 to ensure that the laws the Illinois General Assembly enacts are appropriately implemented through administrative law. The specific duties and authorities of JCAR are outlined in the Illinois Administrative Procedure Act (Act) (5 ILCS 100/5-5 et seq.), as is the Illinois rulemaking process.

The function of JCAR is the promotion of adequate and proper rules by agencies. In addition, JCAR is responsible for monitoring and investigating agencies' compliance with the provisions of the Act, making periodic investigations of the rulemaking activities of all agencies, and evaluating and reporting on all rules in terms of their propriety, legal adequacy, relation to the statutory authorization, economic and budgetary effects, and public policy.

Committee Members

The Committee is comprised of six senators and six representatives. The Committee convenes monthly in Chicago unless the General Assembly is in session. If the General Assembly is in session, the Committee convenes in Springfield.

The Committee members as of June 30, 2010, were as follows:

Senator Maggie Crotty	Co-Chairperson
Representative Angelo "Skip" Saviano	Co-Chairperson
Senator J. Bradley Burzynski	Representative John Fritchey
Senator Randall Hultgren	Representative Lou Lang
Senator Mattie Hunter	Representative David Miller
Senator Dan Rutherford	Representative Don Moffitt
Senator Ira Silverstein	Representative Rosemary Mulligan

Planning

Operating programs of JCAR are specified by the Illinois Administrative Procedure Act (5 ILCS 100 et seq.).

JCAR does not have a formal planning and monitoring function. However, all agency objectives are clearly defined in statutes under the Administrative Procedure Act. JCAR's main priority is to review new rules and proposed changes to the Administrative Code. This is completed on a monthly basis and reported to the Committee members at their monthly meeting. The

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
ANALYSIS OF OPERATIONS
For the Two Years Ending June 30, 2010

Committee reports its activities and accomplishments throughout the year in its Annual Report to the General Assembly.

JCAR's short-term goals continue to be centered upon reviewing every rulemaking that goes to 2nd Notice in a thorough and timely manner so that JCAR members have accurate information on which to base their rulemaking decisions at JCAR's monthly meetings. In addition, the following goals must be met:

- Provide agencies with accurate Code and Register versions of their rulemakings that may be filed with the Secretary of State for adoption and publication following consideration at a JCAR meeting;
- Prepare the *Illinois Register* for publication each week;
- Maintain the *Illinois Administrative Code* on the Legislative Information System database and update it weekly to reflect newly adopted rulemakings;
- Write and publish the *Flinn Report*, JCAR's weekly newsletter, to educate and inform the public concerning proposed and adopted rulemakings and the rulemaking process; and,
- Investigate in a timely manner any complaints concerning agency rulemaking that are brought to JCAR's attention.

JCAR's long-term goals include:

- Increasing the number of State agencies that voluntarily use JCAR-generated Register and Code materials for filing adopted rulemaking text with the Secretary of State (SOS);
- Working with the Legislative Information System to refine the programs used to create and maintain the *Illinois Register* and *Illinois Administrative Code* on the internet; and,
- Working with the Secretary of State Code Division within the Index Department to ensure the accuracy of the file books of adopted rules maintained by both JCAR and SOS.

Interagency Agreement

JCAR entered into an interagency agreement with the Legislative Information System (LIS) in March of 1994. The agreement outlined and defined the shared statutory responsibilities between LIS and JCAR for the maintenance of the electronically stored database of the Illinois Register and Illinois Administrative Code as defined in the Illinois Administrative Procedure Act (5 ILCS 100/5-80 and 135) and the Legislative Information System Act (25 ILCS 145/5.08). Effective January 26, 1994, PA 88-535 expanded access of the database to the public in general, and particularly print and electronic publishers, for the purpose of a more thorough dissemination. The interagency agreement charged JCAR with the responsibility to enter into agreements for responding to requests from the public for electronically stored copies of the database materials and assessing related fees.

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Our examination procedures included tests to determine whether: 1) JCAR complied with the provisions set forth in the interagency agreement; 2) JCAR complied with the provisions set forth in the Administrative Code as it relates to the database; 3) revenues collected were in accordance with applicable laws and regulations; and 4) receipts were for the correct amount. JCAR complied with the Interagency Agreement and Illinois Administrative Code.

Average Number of Employees

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

	2010	2009	2008
Division			
Executive Director	1	1	1
Rules Review Division			
Manager	1	1	1
Attorney	1	1	1
Analyst	4	4	4
Administrative Affairs Division			
Deputy Director	1	1	1
Administrative Staff	1	1	1
Support Division			
Staff Support			
Office Manager	1	1	1
Administrative Assistant	0	0	1
Word Processor/Receptionist	2	2	2
Administrative Code			
Manager	1	1	1
Input Operator	3	3	3
Total Average Full-Time Employees	16	16	17

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Service Efforts and Accomplishments (Not Examined)

<u>Rulemaking Processes</u>	2010* (as of 7/01/10)	<u>2009*</u>	<u>2008*</u>
Rules Proposed	240	444	499
Rules Considered	144	411	462
No Objections	133	383	421
Objections	6	10	19
Recommendations (including with objections)	5	11	10
Withdrawn by Agency	1	5	4
Prohibitions with objections	0	5	4
Suspensions	0	1	6

*All amounts are measured on a calendar year basis.