



STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

DEAF AND HARD OF HEARING COMMISSION

COMPLIANCE EXAMINATION

FOR THE TWO YEARS ENDED JUNE 30, 2005

WILLIAM G. HOLLAND

AUDITOR GENERAL

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2005

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STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION

AGENCY OFFICIALS

Executive Director (effective 3/1/04)	Mr. John Miller
Acting Executive Director (8/8/03 to 3/1/04)	Ms. Janet Lambert
Executive Director (7/1/03 to 8/8/03)	Mr. Gerald Covell
Assistant Director (effective 5/1/05)	Ms. Janet Lambert
Personnel Manager/Fiscal Officer (effective 4/16/05)	Ms. Patty Greene
Fiscal Officer (3/4/05 to 4/16/05)	Vacant
Fiscal Officer (7/1/03 to 3/4/05)	Mr. Michael Cowles
Legal Counsel (effective 2/1/05)	Ms. Tonia Bogener

Agency office is located at:

Deaf and Hard of Hearing Commission
1630 South Sixth Street
Springfield, IL 62703



STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION

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ROD R. BLAGOJEVICH
GOVERNOR
XXXXXXXXXXXX
GERALD L. COVELL
DIRECTOR XXXXXXXX

John Miller
Director

September 12, 2005

Office of the Auditor General
740 East Ash Street
Springfield, IL 62703-3154

MANAGEMENT ASSERTION LETTER

Ladies & Gentlemen:

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 Agency. 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 Agency's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the years ended June 30, 2005 and June 30, 2004, the Agency has materially complied with the assertions below.

- A. The agency 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 agency 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 agency 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 agency 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.

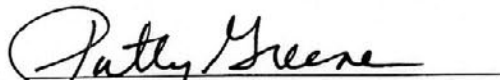
Lisa Warden
Management Assertion Letter
September 12, 2005
Page 2 of 2

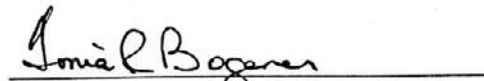
- E. The money or negotiable securities or similar assets handled by the agency on behalf of the State or held in trust by the agency have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Deaf and Hard of Hearing Commission


John Miller, Director


Patty Greene, Personnel Manager


Tonia Bogener, Legal Counsel

COMPLIANCE REPORT

SUMMARY

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

AUDITORS' 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>This Report</u>	<u>Prior Report</u>
Findings	2	1
Repeated Findings	0	1
Prior recommendations implemented or not repeated	1	1

Details of findings are presented in a separately tabbed report section.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
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FINDINGS (STATE COMPLIANCE)

05-1	9	Efficiency initiative payments
05-2	11	Voucher processing weaknesses

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

05-3	13	Property control weaknesses
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Agency personnel at an exit conference on November 1, 2005. Attending were:

Deaf and Hard of Hearing Commission

John Miller, Executive Director

Janet Lambert, Assistant Director

Patty Greene, Personnel Manager/Fiscal Officer

Office of the Auditor General

Lisa Warden, Audit Manager

Peggy Hartson, Audit Supervisor

Responses to the recommendations were provided by Patty Greene in a letter dated November 9, 2005.

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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 Illinois Deaf and Hard of Hearing Commission's (Commission) 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, 2005. The management of the Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Commission's compliance based on our examination.

- A. The Commission 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 Commission 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 Commission 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 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 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); 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 Commission's compliance with those requirements 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 Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed instances of noncompliance with those requirements, 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 State findings as findings 05-1 and 05-2. As required by the Audit Guide, an immaterial finding related to instances of noncompliance excluded from this report has been reported in a separate letter.

Internal Control

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the Commission's internal control over compliance with the aforementioned requirements in order to determine 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.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 State findings as findings 05-1 and 05-2. As required by the Audit Guide, an immaterial finding relating to internal control deficiencies excluded from this report has been reported in a separate letter.

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 2004 and

2005 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 2003 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
Compliance Audit Director

September 12, 2005

05-1. **FINDING** (Efficiency initiative payments)

The Deaf and Hard of Hearing Commission (Commission) made payments for efficiency initiative billings from improper line item appropriations.

Public Act 93-0025, in part, outlines a program for efficiency initiatives to reorganize, restructure and reengineer the business processes of the State. The State Finance Act details that the amount designated as savings from efficiency initiatives implemented by the Department of Central Management Services (CMS) shall be paid into the Efficiency Initiatives Revolving Fund. **“State agencies shall pay these amounts...from the line item appropriations where the cost savings are anticipated to occur.”** (30 ILCS 105/6p-5)

Two billings to the Commission from CMS for savings from efficiency initiatives totaled \$658.35. The initiatives and amounts billed to the Commission for FY04 and FY05 were:

INVOICE BILLING DATE	INITIATIVE	BILLED AMOUNT
FY04		
5/18/04	Online Legal Research Consolidation	\$ 500.95
FY05		
1/19/05	Procurement Efficiency Initiative	\$ 157.40
Grand Total FY04-FY05		\$ 658.35

The Commission reported it did not receive guidance or documentation with the billings from CMS detailing where savings were to occur nor did CMS provide evidence of savings for the amounts billed. Additionally, the Commission reported that it had not experienced any savings from the efficiency initiatives for which it was billed in FY04 and FY05.

Based on our review, we question whether the appropriate appropriations, as required by the State Finance Act, were used to pay for the anticipated savings. We found that the Commission made payments for these billings **not** from line item appropriations where the cost savings were anticipated to have occurred but from line items where Commission staff reported they had **available appropriation lines**. The Commission used the personal services line item appropriation to pay the FY04 Online Legal Research Consolidation billing. The FY05 Procurement Efficiency Initiative billing was paid from a lump sum appropriation to the Commission for expenses relative to the operation of the Commission.

The table below provides an illustration of the specific funds and line items the Commission used to make payments for the efficiency initiatives. Additionally, the table illustrates which efficiency initiatives were paid from the various line item appropriations.

FUND	LINE ITEM APPROPRIATION	AMOUNT PAID	TOTAL APPROPRIATION FOR LINE ITEM	EFFICIENCY INITIATIVE	
					ONLINE LEGAL RESEARCH CONSOLIDATION
FY04					
GRF	For Personal Services	\$ 500.95	\$ 357,000.00		✓
FY05					
GRF	For Expenses relative to the operation of the Commission	\$ 157.40	\$ 28,900.00	✓	

Use of appropriations unrelated to the cost savings initiatives results in non-compliance with the State Finance Act. Furthermore, use of appropriations for purposes other than those authorized by the General Assembly effectively negates a fundamental control established in State government. Finally, use of funds unrelated to the savings initiative may result in an adverse effect on services the Commission provides. (Finding Code No. 05-1)

RECOMMENDATION

We recommend that the Commission only make payments for efficiency initiative billings from line item appropriations where savings would be anticipated to occur. Further, the Commission should seek an explanation from the Department of Central Management Services as to how savings levels were calculated, or otherwise arrived at, and how savings achieved or anticipated impact the Commission’s budget.

COMMISSION RESPONSE

The Commission accepted the audit finding and recommendations regarding 05-1 and we will review any future billings in detail from CMS recommending efficiency initiative payments and obtain verification of cost savings for future payments from appropriation lines.

05-2. **FINDING** (Voucher processing weaknesses)

The Deaf and Hard of Hearing Commission (Commission) did not exercise adequate control over voucher processing. We noted the following:

- Six of 107 (6%) vouchers tested totaling \$7,726 were approved for payment from 3 to 18 days late. The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires an agency to review a bill and either approve or deny the bill in whole or in part within 30 days after physical receipt of the bill. Commission management stated the vouchers were approved late due to the staff working on other responsibilities. No interest charges were paid or due by the Commission due to the late voucher approvals.
- The Commission prepaid three monthly property lease payments totaling \$9,441 although the lease did not include an advance payment clause. The State Finance Act (30 ILCS 105/9.05) requires that payment for goods or services cannot be made in advance unless the agency head certifies that the terms of the contract require advance payment. Commission management stated that the advance payments were made to compensate for prior delays in paying the vendor due to the inability to process vouchers until budget information was available from the Governor's Office and the Office of Management and Budget.
- The Commission overpaid a vendor for in-State travel by \$140. The travel voucher included a claim for double the actual mileage driven. The Travel Guide for State Employees (80 Ill. Adm. Code 3000.310) requires that mileage claimed on a travel reimbursement should be the distance between destinations as shown on the Illinois Highway Map published by the Secretary of State. Commission management stated that the erroneous payment was made due to oversight.

Failure to promptly approve vouchers may result in the late payment of bills and could cause the State to pay interest penalties. Paying in advance for services could result in improper expenditures by the Commission for services not received. Failure to properly review mileage claims for reasonableness may result in improper expenditures. (Finding Code No. 05-2)

RECOMMENDATION

We recommend the Commission comply with the Illinois Administrative Code procedures and implement controls to ensure vouchers are approved within the required time frame. In addition, we recommend the Commission only make payment for services rendered unless otherwise stipulated in the contract. We also recommend the Commission carefully review travel vouchers for compliance with the reimbursement rates set by the Illinois Travel Regulation Council. Lastly, we recommend the Commission seek reimbursement for the overpayment of mileage reimbursement.

COMMISSION RESPONSE

The Commission accepted this finding and will review internal controls to ensure timely payments of vouchers are followed in accordance with the Illinois Administrative Code.

The Commission concurs and will ensure that before any future payments are made prior to services rendered that we will certify that the contract has an advance payment clause in compliance with the State Finance Act.

The Commission concurs and the overpayment of travel reimbursement was due to human error and the Commission will seek all remedies available to recoup the overpayment from the vendor.

PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)

05-3. **PRIOR FINDING** (Property control weaknesses)

During the prior period, the Commission did not maintain sufficient controls over the recording and reporting of its property. Equipment additions were not timely recorded, the Agency Reports of State Property (C-15s) were not properly completed, and a surplus furniture affidavit was not filed for a new furniture purchase. (Finding Code No. 03-1)

During the current period, the Commission strengthened their controls over recording equipment additions and properly completed the C-15 reports. There were no new furniture purchases during the period.

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 Efficiency Initiative Payments
- Schedule of Changes in State Property
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending

- Analysis of Operations

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

The auditors' 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 auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2005

P.A. 93-0842 FISCAL YEAR 2005	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
General Revenue Fund - 001						
Personal Services	\$ 405,900	\$ 344,399	\$ 367	\$	\$ 344,766	\$ 61,134
Employee Retirement						
Contributions Paid by Employer	0	0	0	0	0	0
State Contribution to State						
Employees' Retirement System	65,400	53,358	59		53,417	11,983
State Contributions to Social Security	29,700	23,747	0		23,747	5,953
Contractual Services	61,099	38,128	3,730		41,858	19,241
Travel	19,600	19,599	0		19,599	1
Commodities	11,700	11,017	649		11,666	34
Printing	5,900	5,661	166		5,827	73
Equipment	1,500	1,500	0		1,500	0
Telecommunications	18,600	18,600	0		18,600	0
Operation of Automotive Equipment	2,400	2,400	0		2,400	0
Lump Sums	28,900	10,248	14,645		24,893	4,007
Total Fiscal Year 2005	\$ 650,699	\$ 528,657	\$ 19,616	\$	\$ 548,273	\$ 102,426

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

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2004

P.A. 93-0062 FISCAL YEAR 2004	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
General Revenue Fund - 001						
Personal Services	\$ 357,000	\$ 304,736	\$ 0	\$ 0	\$ 304,736	\$ 52,264
Employee Retirement						
Contributions Paid by Employer	14,300	1,180	0	0	1,180	13,120
State Contribution to State						
Employees' Retirement System	48,000	26,322	0	0	26,322	21,678
State Contributions to Social Security	26,500	22,151	0	0	22,151	4,349
Contractual Services	87,468	80,554	2,635	791	83,189	4,279
Travel	20,000	19,992	(783)	268	19,209	791
Commodities	12,000	5,950	268	0	6,218	5,782
Printing	6,000	5,998	0	0	5,998	2
Equipment	1,500	1,338	0	0	1,338	162
Telecommunications	19,000	18,872	6	6	18,878	122
Operation of Automotive Equipment	2,500	1,701	112	112	1,813	687
Lump Sums	29,600	22,163	7,331	7,331	29,494	106
Total Fiscal Year 2004	\$ 623,868	\$ 510,957	\$ 9,569	\$ 9,569	\$ 520,526	\$ 103,342

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

* Negative lapse expenditures were due to a warrant canceled for redeposit (credit of \$783).

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Years Ended June 30,

	Fiscal Year		
	2005	2004	2003
General Revenue Fund - 001	P.A. 93-0842	P.A. 93-0062	P.A. 92-0538
Appropriations (Net of Transfers)	<u>\$ 650,699</u>	<u>\$ 623,868</u>	<u>\$ 688,400</u>
<u>Expenditures</u>			
Personal Services	\$ 344,766	\$ 304,736	\$ 355,775
Employee Retirement			
Contributions Paid by Employer	0	1,180	13,440
State Contribution to State			
Employees' Retirement System	53,417	26,322	36,695
State Contributions to Social Security	23,747	22,151	25,992
Contractual Services	41,858	83,189	87,109
Travel	19,599	19,209	13,978
Commodities	11,666	6,218	14,556
Printing	5,827	5,998	5,912
Equipment	1,500	1,338	1,486
Telecommunications	18,600	18,878	18,664
Operation of Automotive Equipment	2,400	1,813	1,416
Lump Sums	<u>24,893</u>	<u>29,494</u>	<u>22,440</u>
Total Expenditures	<u>\$ 548,273</u>	<u>\$ 520,526</u>	<u>\$ 597,463</u>
Lapsed Balances	<u>\$ 102,426</u>	<u>\$ 103,342</u>	<u>\$ 90,937</u>

Procurement Efficiency Initiative

General Revenue Fund - 001
Lump Sums

<u>FY05</u>	<u>FY04</u>
<u>\$ 157</u>	<u>\$ 0</u>

Legal Services Consolidation Initiative

General Revenue Fund - 001
Personal Services

<u>\$ 0</u>	<u>\$ 501</u>
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Grand Total	<u><u>\$ 157</u></u>	<u><u>\$ 501</u></u>
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Note: This schedule includes only those payments made pursuant to 30 ILCS 105/6p-5. Amounts were obtained from the Agency and reconciled to information from the Office of the Comptroller.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2005

	Equipment
Balance at July 1, 2003	\$ 224,569
Additions	1,466
Deletions	0
Net Transfers	(13,568)
Balance at June 30, 2004	\$ 212,467
Balance at July 1, 2004	\$ 212,467
Additions	3,281
Deletions	0
Net Transfers	0
Balance at June 30, 2005	\$ 215,748

Note: The above schedule has been derived from Agency records which have been

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For The Two Years Ended June 30, 2005

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2004 AND 2005

General Revenue Fund (001)

Employee Retirement Contributions Paid by Employer

The decrease in employee retirement contributions paid by employer was due to the State discontinuing payment of employee retirement contributions for Commission employees.

State Contribution to State Employees' Retirement System

The increase in State contributions to State employees' retirement system was due to the elimination of State contributions in April through June 2004 due to P.A.-0065 and an increase in headcount.

Contractual Services

The decrease in contractual services expenditures was due to all property lease payments being paid by CMS effective March 2004 and a decrease in the amount of postage purchased in FY05.

Commodities

The increase in commodities expenditures was due to purchases of promotional items totaling \$6,720.

Operation of Automotive Equipment

The increase in operation of automotive equipment expenditures was due to rising fuel prices and increased use of the State vehicles by the Director and staff.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2003 AND 2004

General Revenue Fund (001)

Employee Retirement Contributions Paid by Employer

The decrease in employee retirement contributions was due to the State discontinuing payment of employee retirement contributions for Commission employees.

State Contribution to State Employees' Retirement System

The decrease was due to the elimination of contributions for April through June due to PA-0065 and a reduction in employee headcount in FY04.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For The Two Years Ended June 30,

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2003 AND 2004 (Continued)

State Contribution to State Employees' Retirement System

The decrease in employee retirement contributions paid by employer was due to the elimination of contributions for April through June due to PA-0065 and a reduction in employee headcount in FY04.

Travel

The increase in travel expenditures was due to additional travel by the Commissioners to interview and hire a new Director.

Commodities

The decrease in commodities expenditures was due to fewer purchases of promotional items using this line item.

Lump Sums

The increase in lump sums expenditures was due to purchases of 5,000 pens and 5,000 magnets, and the printing of 6,000 coloring books for promotional purposes.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For The Two Years Ended June 30, 2005

FY05

Lump Sums

The Commission placed orders during the fiscal year for printing of a parents manual for deaf children, 20,000 equality brochures, the Commission's newsletter, rolodex cards, and the sign language pledge of allegiance totaling \$6,437 that were received and paid during the lapse period. The Commission also ordered pens and shirts for promotional use during the fiscal year totaling \$3,462 that were received and paid during the lapse period. In addition, the Commission ordered \$2,696 in equipment items including two DVD camcorders and a five drawer lateral filing cabinet during the fiscal year that were received and paid during the lapse period.

FY04

Lump Sums

The Commission paid invoices received during the lapse period totaling \$2,721 to the Communications Revolving Fund for telecommunication charges incurred during the fiscal year. The Commission also paid invoices totaling \$2,339 for equipment purchases ordered during the fiscal year but not received until the lapse period. In addition, the Commission paid a \$1,778 invoice for coloring books that were ordered during the fiscal year and received during the lapse period.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2005

AGENCY FUNCTIONS AND PLANNING PROGRAM

The Deaf and Hard of Hearing Commission (Commission) was established January 1, 1997 by the Deaf and Hard of Hearing Commission Act. The purpose of the Commission is to “be a coordinating and advocating body that acts on behalf of interests of persons in Illinois who are deaf or hard of hearing.” (20 ILCS 3932/1 et. seq.)

Commission Functions

The Commission is mandated by statute to:

- Develop a program to inform persons who are deaf and hard of hearing and the public of State and local services available for the deaf and hard of hearing and make available other information of value to families, professionals, and citizens working or involved with persons who are deaf or hard of hearing.
- Cooperate with the public and private agencies and local, State, and federal governments to coordinate programs for persons who are deaf or hard of hearing.
- Provide technical assistance and training support to start and enhance existing programs and services for persons who are deaf or hard of hearing.
- Evaluate State programs delivering services to deaf and hard of hearing persons to determine their effectiveness and make recommendations to public officials about future financial support to continue existing programs and establish new programs.
- Monitor State funded programs delivering services to persons who are deaf or hard of hearing to determine the extent that promised and mandated services are delivered.
- Recommend legislative changes to the Governor and General Assembly and follow and evaluate laws affecting persons who are deaf or hard of hearing.
- Promote cooperation among State and local agencies providing educational programs for deaf and hard of hearing individuals.
- Establish policy related to evaluation, certification, licensure, and training standards of sign language interpreters.
- Submit an annual report of its activities to the Governor and the General Assembly on January 1st of each year. (20 ILCS 3932/1 et seq.)

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2005

The Commission is comprised of a governing board of eleven Commissioners appointed by the Governor. The Commissioners serve without compensation, are appointed to hold office for a term of 3 years, and no member may serve more than two consecutive terms. The members of the Commission at June 30, 2005, were:

- Harmon P. Menkis, Chairman
- Amy Blough, Vice-Chairman
- Lori K. McKenzie
- Jamie Gallo-Weinstein
- Jenny L. Singleton
- Melvin Patterson
- Ralph Sesko
- Renda Gauwitz
- Leon Devriendt
- Ronald Sipek
- Sheri Cook

Planning Program

During the examination period, the Commission revised its five-year plan. The Commission has six target issues: (1) to decrease barriers for deaf and hard of hearing persons to access programs and services; (2) to increase the number of programs serving traditionally underserved populations; (3) to increase the number of qualified interpreters statewide; (4) to increase the number of parents of deaf and hard of hearing children involved in advocacy for their children in obtaining appropriate education options; (5) to increase public awareness of communication needs and technologies available; and (6) to increase the number of Commission resources distributed to the public to address cultural sensitivity and awareness. These target issues encompass the Commission's overall vision that all Illinois residents with a hearing loss will enjoy the benefits of a fully accessible society enabling each person to participate in and contribute to all aspects of life.

The Commission's short-term goals are established by the members of the Commission. The Director monitors short-term goals on an ongoing basis. Short-term goals are also monitored quarterly during Commission meetings.

Auditors' Assessment

The Commission's planning program appears appropriate for meeting its statutorily defined functions.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
AVERAGE NUMBER OF EMPLOYEES
For The Years Ended June 30,

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,

<u>Division</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Director	1	1	1
Fiscal Officer	1	1	1
Administrative Assistant	1	1	1
Public Information Coordinator	1	1	1
Other Administrative Personnel	2	2	3
Legal Counsel	1	0	0
	<hr/>	<hr/>	<hr/>
Total average full-time employees	<u><u>7</u></u>	<u><u>6</u></u>	<u><u>7</u></u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SERVICE EFFORTS AND ACCOMPLISHMENTS
(Not Examined)

The following is a summary of the performance indicators for the fiscal years ending June 30,

<u>Input Indicators</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Public inquiries addressed	13,200	12,357	11,327
 <u>Output Indicators</u>			
Materials distributed ^a	11,000	16,935	131,986
Promotional items distributed	13,000	22,003	38,381
Complaints satisfactorily resolved	25	24	25
Library materials loaned	420	298	457
Newsletter subscribers	10,000	9,338	12,306
Workshops presented	75	49	55

^a Reported numbers of materials distributed in FY04 and FY05 do not include Internet distribution of materials as in the prior year.