

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2013

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

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STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

COMMISSION OFFICIALS

Executive Director	Mr. John Miller
Assistant Director	Ms. Janet Lambert
Personnel Manager/Fiscal Officer	Ms. Patty Greene
Legal Counsel	Ms. Tonia Bogener

COMMISSIONERS

Chairperson	Tina Childress
Vice Chairperson	Amber Smock
Commissioner	Joseph Culpepper
Commissioner	Emma Danielson
Commissioner	Laura Thomas
Commissioner	Haydee Garcia
Commissioner	Anil Phadke
Commissioner	Nancy Abbott ¹
Commissioner	Teresa Fuller-Sakolsky ¹
Commissioner	Hershel Jackson ¹
Commissioner	Mindy Joy Mayer ¹

¹Term Expired (Continues to serve until a successor is appointed.)

Commission office is located at:

528 South 5th Street, Suite 209
Springfield, IL 62701



STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION

528 South 5th Street, Suite 209 • Springfield, Illinois 62701

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PAT QUINN
GOVERNOR

MANAGEMENT ASSERTION LETTER

JOHN MILLER
DIRECTOR

January 13, 2014

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

Dear Mr. Holland:

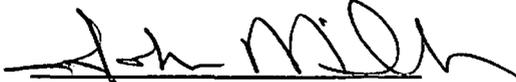
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Deaf and Hard of Hearing Commission (Commission). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Commission's compliance with the following assertions during the two-year period ended June 30, 2013. Based on this evaluation, we assert that during the years ended June 30, 2013 and June 30, 2012, the Commission has materially complied with the assertions below.

- 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. 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 on behalf of the State or held in trust by the Commission have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours truly,

Deaf and Hard of Hearing Commission


John Miller, Executive Director


Patty Greene, Fiscal Officer


Tonia Bogener, Legal Counsel

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

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.

ACCOUNTANT'S REPORT

The Independent Accountant's 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 Report</u>	<u>Prior Report</u>
Findings	2	2
Repeated findings	1	1
Prior recommendations implemented or not repeated	1	2

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2013-001	9	Property control weaknesses	Significant Deficiency and Noncompliance
2013-002	12	Inaccurate Fee Imposition Reports filed with the State Comptroller	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	14	Inadequate controls over contractual expenditures
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Commission personnel at an exit conference on January 9, 2014. Attending were:

Deaf and Hard of Hearing Commission

John Miller, Executive Director
Janet Lambert, Assistant Director
Patty Greene, Fiscal Officer

Office of the Auditor General

Janis Van Durme, Audit Manager
Megan Green, Audit Supervisor

Responses to the recommendations were provided by the Fiscal Officer in a letter dated January 8, 2014.

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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANT'S 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, 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, 2013. 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. 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 on behalf of the State or held in trust 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 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 Commission's compliance with specified requirements.

In our opinion, the Commission complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2013. However, the results of our procedures disclosed instances of noncompliance with the 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 findings as items 2013-001 and 2013-002.

Internal Control

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the Commission's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal

control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings as items 2013-001 and 2013-002, that we consider to be significant deficiencies.

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

The Commission's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the Commission's responses and, accordingly, we express no opinion on the responses.

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 for the years ended June 30, 2013 and June 30, 2012 in Schedules 1 through 9 and the Analysis of Operations Section 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 June 30, 2013 and June 30, 2012 accompanying supplementary information in Schedules 1 through 9. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2011 accompanying supplementary information in Schedules 3 through 8 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Commission management, and Commissioners of the Deaf and Hard of Hearing Commission, 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

Springfield, Illinois

January 13, 2014

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2013

2013-001. **FINDING** (Property control weaknesses)

The Deaf and Hard of Hearing Commission (Commission) did not maintain sufficient controls over the reconciliation, recording, and reporting of its State property.

During testing, we noted the following:

- The Commission filed inaccurate Quarterly Agency Reports of State Property (C-15).
 - The Commission's transfers out total reported on its FY13 3rd and 4th Quarter C-15s was understated by \$22,764 due to the Commission removing equipment items from the property listing between 117 and 257 days late.

Statewide Accounting Management System (SAMS) Manual (Procedure 29.20.10) requires agencies to report the net amount of transfers in/out that occurred during the quarter being reported.

- The Commission filed its annual Certification of Inventory with the Department of Central Management Services (CMS) on April 1, 2013, 30 days late.

The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.460) requires agencies to complete and sign the Certification of Inventory after it completes its annual inventory of all its equipment items valued in excess of \$500. Agencies are then required to provide the Certification of Inventory to CMS' Property Control Division. The Commission's due date established by CMS was March 1, 2013.

- Three of 9 (33%) equipment items tested, totaling \$788, were not timely removed from the Commission's property listing. These items were removed 8 to 81 days late.

The Code (44 Ill. Adm. Code 5010.400) requires agencies to properly adjust records within 30 days of deletion of equipment items.

- Ten of 46 (22%) equipment items tested, totaling \$5,829, were located in a different geographical location than reported on the Commission's property listing.

SAMS Manual (Procedure 29.10.10) requires agencies to maintain current property records, including location of the asset.

- One of 9 (11%) equipment items tested, totaling \$515, was transferred to CMS surplus and the historical cost and acquisition date was not correctly reported to

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2013

CMS. According to the Commission's property records the item was purchased in April 2005 for \$515. The property change report submitted to CMS for the transfer stated the item was purchased in January 1950 for \$0.

The Code (44 Ill. Adm. Code 5010.620) requires agencies to report transferable property to the CMS Property Control Division by submitting a property change report. The property change report requires agencies to include an item's acquisition date and cost. Good internal controls require the date and cost be entered correctly.

- Three of 19 (16%) equipment items tested, totaling \$1,613, were incorrectly added to the Commission's property listing because the purchase discount was not properly allocated to each item.

SAMS Manual (Procedure 03.30.20) states the cost of equipment is determined by all the costs necessary to acquire the asset and place it into service. A discount in price is not a cost to acquire the asset and therefore should be deducted from the price when adding the item to the property listing.

- One of 23 (4%) equipment items tested, totaling \$389, considered to be obsolete was not transferred to CMS during the examination period.

SAMS Manual (Procedure 29.10.10) requires agencies to identify equipment items that are obsolete, damaged, or no longer used in operations and remove the items from property records. In addition, the Code (44 Ill. Adm. Code 5010.610) requires agencies to obtain CMS approval to scrap equipment that is no longer serviceable.

- One of 23 (4%) equipment items tested, totaling \$2,269, could not be located.

SAMS Manual (Procedure 29.10.10) requires agencies to maintain current property records, including the location of the asset.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies establish internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources or funds applicable to operations 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.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

Commission personnel stated the problems noted above were due to misunderstanding of procedures and human error.

Failure to exercise adequate control over property and maintain accurate property control records increases the risk of loss, misappropriation and inaccurate information being submitted to the Office of the Comptroller. (Finding Code No. 2013-001, 11-1, 09-1)

RECOMMENDATION

We recommend the Commission strengthen controls over the recording and reporting of its State property and implement procedures to ensure:

- All reports prepared from internal records are reviewed for accuracy before submission to the Comptroller;
- The annual Certification of Inventory is filed timely with CMS;
- Equipment is timely deleted from Commission records;
- Commission records reflect the correct geographical location of equipment;
- All required information is reported to CMS for transferred equipment;
- Equipment is recorded at its proper cost;
- Obsolete equipment is transferred to CMS; and
- Equipment not in the Commission's possession is deleted from Commission records.

COMMISSION RESPONSE

The Commission accepts the recommendations.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2013

2013-002. **FINDING** (Inaccurate Fee Imposition Reports filed with the State Comptroller)

The Deaf and Hard of Hearing Commission (Commission) did not submit accurate Agency Fee Imposition Reports (Report) to the Illinois Office of the Comptroller (Comptroller) during the examination period.

During testing, we noted the following:

- Five fees collected, totaling \$280, relating to sign language interpreter licensure and conference registration fees were not recorded on the Commission's FY12 Report.
- The Commission's FY13 Report included fees received in FY12 and FY14, totaling \$3,025.
- One refund, totaling \$347, was improperly included in the Commission's FY13 Report.
- The total fee amount on the Commission's FY13 Report was overstated by \$101,244 because it contained FY12 in-transit amounts, FY14 receipts, miscellaneous receipts not considered fees, and a \$96,600 statutory transfer.

Statewide Accounting Management System (SAMS) Manual (Procedure 33.16.20) states all agencies must submit a report which includes all charges by State agencies to citizens and private organizations including assessments, fares, fees, fines, levies, licenses, penalties, permits, registrations, tolls and tuition. SAMS Manual (Procedure 33.16.20) also states the report must include the total amount of revenue generated by the fee during the fiscal year for which the report is prepared. In addition, good internal controls require the information submitted in the report be accurate.

Commission personnel stated the above errors were due to human error.

Inadequate reporting of fees on the Agency Fee Imposition Report could lead to inaccurate information on the Statewide Agency Fee Imposition Report submitted to the General Assembly and lessens governmental oversight. (Finding Code No. 2013-002)

RECOMMENDATION

We recommend the Commission implement controls and procedures to submit accurate Reports to the Comptroller.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2013

COMMISSION RESPONSE

The Commission accepts the recommendation.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2013

A. **FINDING** (Inadequate controls over contractual expenditures)

During the prior examination period, we noted the Deaf and Hard of Hearing Commission (Commission) did not maintain adequate controls over its contractual services expenditures.

During the current engagement our sample testing of contractual services expenditures did not reveal any instances where the Commission failed to file contracts and obligation documents with the Illinois Office of the Comptroller. (Finding Code No. 11-2)

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2013

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

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2013 and June 30, 2012 accompanying supplementary information in Schedules 1 through 9. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

STATE OF ILLINOIS
 DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

Public Act 97-0730	Appropriations (Net of Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/13	Total Expenditures	Balances Lapsed
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Personal Services	\$ 464,900	\$ 387,396	\$ 17,098	\$ 404,494	\$ 60,406
State Contributions to Social Security	35,600	28,360	1,250	29,610	5,990
Contractual Services	88,028	76,919	6,500	83,419	4,609
Travel	9,400	7,795	927	8,722	678
Commodities	5,000	4,694	266	4,960	40
Printing	500	484	16	500	-
Equipment	1,000	982	-	982	18
Telecommunications Services	25,072	25,072	-	25,072	-
Operation of Automotive Equipment	2,600	1,769	85	1,854	746
Operational Expenses	18,400	14,851	3,167	18,018	382
Subtotal - Fund 001	\$ 650,500	\$ 548,322	\$ 29,309	\$ 577,631	\$ 72,869
INTERPRETERS FOR THE DEAF FUND - 449					
Personal Services	\$ 55,300	\$ 23,220	\$ 2,427	\$ 25,647	\$ 29,653
Retirement	21,000	8,821	922	9,743	11,257
State Contributions to Social Security	4,200	1,706	191	1,897	2,303
Contractual Services	73,800	24,564	14,194	38,758	35,042
Travel	12,500	5,799	2,600	8,399	4,101
Commodities	5,000	650	129	779	4,221
Printing	500	148	33	181	319
Equipment	5,000	278	1,868	2,146	2,854
Group Insurance	22,700	9,392	754	10,146	12,554
Subtotal - Fund 449	\$ 200,000	\$ 74,578	\$ 23,118	\$ 97,696	\$ 102,304
TOTAL - ALL APPROPRIATED FUNDS	\$ 850,500	\$ 622,900	\$ 52,427	\$ 675,327	\$ 175,173

STATE OF ILLINOIS
 DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2013

Fourteen Months Ended August 31, 2013

Public Act 97-0730	Appropriations (Net of Transfers)	Expenditures Through 6/30/13	Lapse Period Expenditures 7/01 - 8/31/13	Total Expenditures	Balances Lapsed
<u>NON-APPROPRIATED FUND</u>					
<u>DEAF AND HARD OF HEARING SPECIAL PROJECTS</u>					
<u>FUND - 405</u>					
Subtotal - Fund 405	\$ 7,000	\$ 22,900	\$ 29,900		
GRAND TOTAL - ALL FUNDS	\$ 629,900	\$ 75,327	\$ 705,227		

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

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
 DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2012

Eighteen Months Ended December 31, 2012

	Appropriations (Net of Transfers)	Expenditures Through 6/30/12	Lapse Period		Balances Lapsed
			Expenditures 7/01 -12/31/12	Total Expenditures	
Public Act 97-0070, Public Act 97-0642					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 465,200	\$ 386,991	\$ 19,377	\$ 406,368	\$ 58,832
State Contributions to Social Security	34,700	28,181	1,430	29,611	5,089
Contractual Services	81,500	76,374	4,779	81,153	347
Travel	10,000	6,337	164	6,501	3,499
Commodities	5,000	3,396	397	3,793	1,207
Printing	500	397	-	397	103
Equipment	2,500	441	405	846	1,654
Telecommunications Services	16,200	9,881	2,675	12,556	3,644
Operation of Automotive Equipment	5,800	4,665	405	5,070	730
Operational Expenses	18,400	11,886	4,732	16,618	1,782
Subtotal - Fund 001	\$ 639,800	\$ 528,549	\$ 34,364	\$ 562,913	\$ 76,887
<u>INTERPRETERS FOR THE DEAF FUND - 449</u>					
Lump Sums- Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 200,000	\$ 134,410	\$ 20,537	\$ 154,947	\$ 45,053
Subtotal - Fund 449	\$ 200,000	\$ 134,410	\$ 20,537	\$ 154,947	\$ 45,053
TOTAL - ALL APPROPRIATED FUNDS	\$ 839,800	\$ 662,959	\$ 54,901	\$ 717,860	\$ 121,940

STATE OF ILLINOIS
 DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 Appropriations for Fiscal Year 2012

Eighteen Months Ended December 31, 2012

Public Act 97-0070, Public Act 97-0642	Appropriations (Net of Transfers)	Expenditures Through 6/30/12	Lapse Period		Balances Lapsed
			Expenditures 7/01 -12/31/12	Total Expenditures	
<u>NON-APPROPRIATED FUND</u>					
<u>DEAF AND HARD OF HEARING SPECIAL PROJECTS</u>					
<u>FUND - 405</u>					
Subtotal - Fund 405		\$ 17,702	\$ 7,905	\$ 25,607	
GRAND TOTAL - ALL FUNDS		\$ 680,661	\$ 62,806	\$ 743,467	

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

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
DEAF AND HARD OF HEARING COMMISSION
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2013, 2012, and 2011

	Fiscal Year		
	2013	2012	2011
	P.A. 97-0730	P.A. 97-0070 & 97-0642	P.A. 96-0956
Appropriated Funds			
General Revenue Fund - 001			
Appropriations (Net After Transfers)	\$ 650,500	\$ 639,800	\$ 641,030
Expenditures			
Personal Services	\$ 404,494	\$ 406,368	\$ -
State Contributions to Social Security	29,610	29,611	-
Contractual Services	83,419	81,153	-
Travel	8,722	6,501	-
Commodities	4,960	3,793	-
Printing	500	397	-
Equipment	982	846	-
Telecommunications Services	25,072	12,556	-
Operation of Automotive Equipment	1,854	5,070	-
Operational Expenses	18,018	16,618	618,940
Operational Expenses, Awards, Grants, and Permanent Improvements	-	-	2,593
Total Expenditures	\$ 577,631	\$ 562,913	\$ 621,533
Lapsed Balances	\$ 72,869	\$ 76,887	\$ 19,497
Interpreters for the Deaf Fund- 449			
Appropriations (Net After Transfers)	\$ 200,000	\$ 200,000	\$ 150,000
Expenditures			
Personal Services	\$ 25,647	\$ -	\$ -
Retirement	9,743	-	-
State Contributions to Social Security	1,897	-	-
Contractual Services	38,758	-	-
Travel	8,399	-	-
Commodities	779	-	-
Printing	181	-	-
Equipment	2,146	-	-
Group Insurance	10,146	-	-
Lump Sums- Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	-	154,947	115,613
Total Expenditures	\$ 97,696	\$ 154,947	\$ 115,613
Lapsed Balances	\$ 102,304	\$ 45,053	\$ 34,387

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, 2013, 2012, and 2011

	Fiscal Year		
	2013	2012	2011
	P.A. 97-0730	P.A. 97-0070 & 97-0642	P.A. 96-0956
Non-Appropriated Fund			
Deaf and Hard of Hearing Special Projects Fund - 405			
Expenditures	<u>\$ 29,900</u>	<u>\$ 25,607</u>	<u>\$ 16,442</u>
Total Expenditures	<u><u>\$ 29,900</u></u>	<u><u>\$ 25,607</u></u>	<u><u>\$ 16,442</u></u>
GRAND TOTAL - ALL FUNDS			
Total Expenditures	<u><u>\$ 705,227</u></u>	<u><u>\$ 743,467</u></u>	<u><u>\$ 753,588</u></u>

Note: The FY11 expenditures and related lapsed balances do not include interest payments approved for payment and submitted by the Agency to the Comptroller for payment after August.

SCHEDULE 4

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2013

	<u>Equipment</u>
Balance at July 1, 2011	\$ 173,306
Additions	17,481
Deletions	(360)
Net Transfers	<u>(11,508)</u>
Balance at June 30, 2012	<u>\$ 178,919</u>
Balance at July 1, 2012	\$ 178,919
Additions	1,855
Deletions	(2,322)
Net Transfers	<u>(22,764)</u>
Balance at June 30, 2013	<u>\$ 155,688</u>

Note: The above schedule has been derived from Agency records and includes auditor adjustments noted in Finding 2013-001. This schedule has been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
 DEAF AND HARD OF HEARING COMMISSION
COMPARATIVE SCHEDULE OF CASH RECEIPTS
 For the Fiscal Years Ended June 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Deaf and Hard of Hearing Special Projects Fund - 405</u>			
ISBE - Federal Grant	<u>\$ 30,000</u>	<u>\$ 25,588</u>	<u>\$ 15,000</u>
Total Special Projects Fund	<u><u>\$ 30,000</u></u>	<u><u>\$ 25,588</u></u>	<u><u>\$ 15,000</u></u>
<u>Interpreter for the Deaf Fund- 0449</u>			
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	<u>\$ 146,841</u>	<u>\$ 153,511</u>	<u>\$ 133,611</u>
Total Interpreter for the Deaf Fund	<u><u>\$ 146,841</u></u>	<u><u>\$ 153,511</u></u>	<u><u>\$ 133,611</u></u>
Total Receipts	<u><u>\$ 176,841</u></u>	<u><u>\$ 179,099</u></u>	<u><u>\$ 148,611</u></u>

STATE OF ILLINOIS
 DEAF AND HARD OF HEARING COMMISSION
**RECONCILIATION SCHEDULE OF CASH RECEIPTS
 TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**
 For the Fiscal Years Ended June 30,

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Deaf and Hard of Hearing Special Projects Fund (405)</u>			
Receipts per Commission Records	\$ 30,000	\$ 25,588	\$ 15,000
Add: Deposits in Transit, Beginning of Year	88	-	-
Less: Deposits in Transit, End of Year	<u>-</u>	<u>(88)</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 30,088</u>	<u>\$ 25,500</u>	<u>\$ 15,000</u>
<u>Interpreters for the Deaf Fund (449)</u>			
Receipts per Commission Records	\$ 146,841	\$ 153,511	\$ 133,611
Add: Deposits in Transit, Beginning of Year	2,510	-	-
Less: Deposits in Transit, End of Year	(1,935)	(2,510)	-
Less: Interest	(701)	(556)	(790)
Deposit Correction	<u>-</u>	<u>(300)</u>	<u>-</u>
Deposits Recorded by the Comptroller	<u>\$ 146,715</u>	<u>\$ 150,145</u>	<u>\$ 132,821</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2013

The following is a summary of explanations for significant variations in expenditures. Variations between fiscal years were considered significant if greater than \$5,000 and 20%.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2013 AND 2012

General Revenue Fund (001)

Telecommunications Services

The increase was due to the installation of new telecommunication equipment and computer systems as a result of the Commission's office relocation.

Interpreter for the Deaf Fund (449)

During FY12, the appropriation process combined all individual line items (i.e. personal services, State contributions to Social Security, etc.) into only one line item identified as operational expenses. During FY13, the appropriation process once again split the combined appropriation back into individual line items.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2012 AND 2011

General Revenue Fund (001)

During FY11, the appropriation process combined all individual line items (i.e. personal services, State contribution to Social Security, etc.) into only one line item identified as operational expenses. During FY12, the appropriation process once again split the combined appropriation back into individual line items.

Interpreter for the Deaf Fund (449)

Lump Sums – Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007

The increase was due to a vacancy in the Interpreter Coordinator position during FY11. The Commission expended a full year's salary for the Interpreter Coordinator during FY12.

**STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2013**

Deaf and Hard of Hearing Special Projects Fund (405)

The increase was due to an increase in the Commission's Professional Development Grant from the Illinois State Board of Education, which the Commission used for expenditures related to its annual interpreter conference.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2013

Deaf and Hard of Hearing Special Projects Fund – 405

The Commission receives monies in this fund from grant monies and from contributions from public and private sources. Receipts in this fund are expected to fluctuate between fiscal years based on grants and donations received.

In FY11, the Commission only received \$15,000 from the Illinois State Board of Education to host the annual conference.

In FY12, the Commission received \$25,000 from the Illinois State Board of Education to host an annual conference. In addition, the Commission received a donation to help cover the costs for the annual conference.

In FY13, the Commission received \$30,000 from the Illinois State Board of Education to host an annual conference for educational and licensed interpreters.

Interpreter for the Deaf Fund – 449

The Commission receives monies in this fund for the licensing, certification, and testing of interpreters. In addition, registration fees paid by the attendees of the annual conference are deposited into this fund. Receipts in this fund are expected to fluctuate between fiscal years.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2013

The following is a summary of explanations for significant lapse period spending. Lapse period spending was considered significant if 20% or greater of total expenditures for the fiscal year occurred during the lapse period.

FISCAL YEAR 2013

Interpreter for the Deaf Fund (449)

Contractual Services

The Commission held its annual interpreter conference in late May and early June and invoices for room rental, sign language interpreter services, and presenter fees were not received and processed until the lapse period.

Travel

The Commission's Board of Evaluation of Interpreters met to evaluate test candidates late in the fiscal year and the related travel vouchers were not received and processed until the lapse period.

Equipment

The Commission purchased two laptop computers late in the fiscal year and the related invoices were not received and processed until the lapse period.

Deaf and Hard of Hearing Special Projects Fund (405)

The Commission held its annual interpreter conference in May and early June and invoices for the related expenditures were not received and processed until the lapse period.

FISCAL YEAR 2012

General Revenue Fund (001)

Equipment

The Commission replaced broken equipment late in the fiscal year and the related invoice was not received and processed until the lapse period.

Telecommunications Services

The Commission received and processed two months of FY13 telecommunications billings during the lapse period.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2013

Operational Expenses

The Commission held its annual interpreter conference in May and invoices for the related expenditures were not received and processed until the lapse period.

Deaf and Hard of Hearing Special Projects Fund (405)

The Commission held its annual interpreter conference in May and invoices for the related expenditures were not received and processed until the lapse period.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
AGENCY FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

The Deaf and Hard of Hearing Commission (Commission) was established January 1, 1997 by the Deaf and Hard of Hearing Commission Act (20 ILCS 3932/1 *et seq.*). 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.

Commission Functions

The Commission is mandated 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 services for persons who are deaf or hard of hearing.
- 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.*)

The Interpreter for the Deaf Licensure Act of 2007 requires sign language interpreters to be licensed as of January 1, 2009, to continue providing interpreting services in Illinois. The Commission is mandated by the Interpreter for the Deaf Licensure Act of 2007 (225 ILCS 443/50 and 443/65) to:

- Exercise the powers and duties prescribed by the Civil Administrative Code of Illinois for the administration of licensing Acts that are consistent with its duties.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
AGENCY FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

- Adopt rules for administration and enforcement of licensure and the payment of fees for licensure, and prescribe forms issued in connection with licensure.
- Conduct annual statewide training to interpreters and deaf and hard of hearing consumers regarding the rights and obligations affected by this Act.
- Appoint an Illinois Board of Interpreters for the Deaf consisting of seven voting members who shall serve in an advisory capacity to the Commission.

The Commission is comprised of a governing board of 11 Commissioners appointed by the Governor. The Commissioners serve without compensation, are appointed to hold office for a term of three years, and no member may serve more than two consecutive terms.

The Illinois Board of Interpreters for the Deaf (Board) is comprised of seven voting members, consisting of five licensed interpreters for the deaf and three deaf or hard of hearing consumers (one member is a licensed interpreter and a deaf and hard of hearing consumer). The members of the Board are reimbursed for all authorized legitimate and necessary expenses incurred in attending meetings and are appointed to hold office for four-year terms until successors are appointed and qualified, except for initial appointments which shall be staggered with one member appointed to serve for one year, two members appointed to serve for two years, two members appointed to serve for three years, and two members appointed to serve for four years. No member may serve more than two consecutive terms. The members of the Board at June 30, 2013, were:

- Dana Craig, Chairperson
- Terri Hedding, Vice-Chairperson
- Sue Sanders, Secretary
- Shelley Engstrom-Kestel, Vice Chairperson
- Karen Janssen
- Thomas Russell
- Deborah Sampson

Planning Program

The Commission has three target goals within its five-year strategic plan: (1) to empower deaf, hard of hearing, deaf-blind individuals and families to advocate for themselves, by providing targeted materials that address advocacy issues and hearing loss awareness; (2) to enhance the Commission's visibility and the resources available to the constituents of Illinois; (3) to identify and decrease the barriers to communication access. These target goals encompass the Commission's overall vision that all Illinois residents with a hearing loss will enjoy the benefit of a fully accessible society enabling each person to participate in and contribute to all aspects of life.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
AGENCY FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

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.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
AVERAGE NUMBER OF EMPLOYEES
(NOT EXAMINED)
For the Two Years Ended June 30, 2013

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Director	1	1	1
Assistant Director	1	1	1
Personnel Manager	1	1	1
Legal Counsel	1	1	1
Program Coordinator	0	0	1
Project Coordinator	1	1	1
Interpreter Coordinator	0	1	1
Executive Secretary	1	1	1
	<hr/>	<hr/>	<hr/>
Total average full-time employees	<u>6</u>	<u>7</u>	<u>8</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2013

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

<u>Output Indicators</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Public inquiries addressed	15,000	15,000	15,000
Materials distributed	0	0	0
Promotional items distributed	0	0	0
Library materials loaned	200	200	200
Workshops presented	20	0	20
Interpreter Registry	800	800	800