

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

For the Two Years Ended June 30, 2017

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017

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COMMISSION OFFICIALS

Director (Interim) (12/28/17 to Current)	Ms. Tonia Bogener
Director (11/10/17 to 12/27/17)	Vacant
Director (07/01/15 to 11/09/17)	Mr. John Miller
Assistant Director	Ms. Janet Lambert
Legal Counsel (07/01/15 to 12/28/17)	Ms. Tonia Bogener
Personnel Manager/Fiscal Officer	Ms. Patty Greene

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GOVERNOR



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MANAGEMENT ASSERTION LETTER

Honorable Frank J. Mautino
Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, Illinois 62703-3154

July 19, 2018

Auditor General Mautino:

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 State of Illinois, Deaf and Hard of Hearing 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 State of Illinois, Deaf and Hard of Hearing Commission's compliance with the following assertions during the two-year period ended June 30, 2017. Based on this evaluation, we assert that during the years ended June 30, 2017, and June 30, 2016, the State of Illinois, Deaf and Hard of Hearing Commission has materially complied with the assertions below.

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

Yours truly,

State of Illinois, Deaf and Hard of Hearing Commission

SIGNED ORIGINAL ON FILE _____

Tonia Bogener, Interim Director

SIGNED ORIGINAL ON FILE _____

Patty Greene, Fiscal Officer

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
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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 or disclaimers, but does contain a qualified opinion on compliance and identifies material weaknesses in internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	6	1
Repeated findings	0	0
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)			
2017-001	10	Inadequate Segregation of Duties	Material Weakness and Material Noncompliance
2017-002	13	Failure to Perform Required Reconciliations	Material Weakness and Material Noncompliance
2017-003	15	Inadequate Controls over Receipts	Material Weakness and Material Noncompliance
2017-004	17	Inadequate Controls over Agency Fee Imposition Reports	Significant Deficiency and Noncompliance

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<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2017-005	19	Untimely Expenditure Approvals	Significant Deficiency and Noncompliance
2017-006	20	Property Control Weaknesses	Significant Deficiency and Noncompliance

PRIOR FINDING NOT REPEATED

A	22	Noncompliance with Open Meetings Act's Training Requirements
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EXIT CONFERENCE

The Commission waived a formal exit conference in correspondence dated July 3, 2018 from Tonia Bogener, Interim Director. The Commission's responses to the recommendations were provided by Tonia Bogener, Interim Director, in correspondence dated July 18, 2018.

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OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Deaf and Hard of Hearing Commission's 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, 2017. The management of the State of Illinois, Deaf and Hard of Hearing Commission is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Deaf and Hard of Hearing Commission's compliance based on our examination.

- A. The State of Illinois, Deaf and Hard of Hearing 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 State of Illinois, Deaf and Hard of Hearing 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 State of Illinois, Deaf and Hard of Hearing 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 State of Illinois, Deaf and Hard of Hearing 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 State of Illinois, Deaf and Hard of Hearing Commission on behalf of the State or held in trust by the State of Illinois, Deaf and Hard of Hearing 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Deaf and Hard of Hearing Commission complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Deaf and Hard of Hearing Commission complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Deaf and Hard of Hearing Commission's compliance with specified requirements.

As described in items 2017-001 through 2017-003 in the accompanying schedule of findings, the State of Illinois, Deaf and Hard of Hearing Commission did not comply with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Further, as described in items 2017-001 through 2017-003 in the accompanying schedule of findings, the State of Illinois, Deaf and Hard of Hearing Commission did not comply with applicable laws and regulations concerning the collection of State revenues and receipts and ensuring the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Deaf and Hard of Hearing Commission to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Deaf and Hard of Hearing 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, 2017. 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 2017-004 through 2017-006.

The State of Illinois, Deaf and Hard of Hearing Commission's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Deaf and Hard of Hearing Commission's responses were not subjected to the

procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Internal Control

Management of the State of Illinois, Deaf and Hard of Hearing 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 State of Illinois, Deaf and Hard of Hearing 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 State of Illinois, Deaf and Hard of Hearing Commission's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Deaf and Hard of Hearing Commission's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2017-001 through 2017-003 to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the

accompanying schedule of findings as items 2017-004 through 2017-006 to be significant deficiencies.

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

The State of Illinois, Deaf and Hard of Hearing Commission's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Deaf and Hard of Hearing Commission's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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, 2017, and June 30, 2016, in Schedules 1 through 5 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, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

As reported in Finding 2017-003, we were not able to determine the State of Illinois, Deaf and Hard of Hearing Commission's cash receipt records at June 30, 2017, and June 30, 2016, were complete and appropriately reported. Therefore, we were unable to conclude whether the Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller on Schedule 5 was complete.

We have not applied procedures to the June 30, 2015, accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section and, accordingly, we do not express an opinion or provide any assurance on it.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
July 19, 2018

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2017

2017-001. **FINDING** (Inadequate Segregation of Duties)

The Deaf and Hard of Hearing Commission (Commission) did not have adequate segregation of duties over its receipt and expenditure processing functions.

During testing, we noted the following:

- For receipt processing transactions during Fiscal Year 2016, the Commission's Director had the authority to perform all parts of the transaction cycle, including:
 - **Authorization** by reviewing and approving transactions, including endorsing checks, depositing funds into the State Treasury's clearing accounts, and preparing Receipt Deposit Transmittals (RDTs) and Expenditure Adjustment Transmittals (EATs);
 - **Custody** by handling and depositing physical checks and maintaining the electronic and physical records;
 - **Recordkeeping** by preparing entries and maintaining the Commission's internal accounting records; and,
 - **Reconciliation** by preparing reconciliations to the State Comptroller's records to verify each transaction's validity, proper authorization, and entry into the Commission's accounting records.

During Fiscal Year 2016, the State Comptroller's records show the Commission ordered \$197,972 into the State Treasury.

We identified one compensating control, as the Commission's Personnel Manager assists in filing and depositing physical checks. However, the Commission's Personnel Manager does not review or approve the physical checks. The condition where one person has the authority to perform all functions represents a significant control weakness.

- For receipt processing transactions during Fiscal Year 2017, the Commission's Personnel Manager had the authority to perform the following parts of the transaction cycle:
 - **Authorization** by reviewing and approving transactions, including endorsing checks, depositing funds into the State Treasury's clearing accounts, and preparing RDTs and EATs;
 - **Custody** by handling and depositing physical checks and maintaining the electronic and physical records; and,

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- **Recordkeeping** by preparing entries and maintaining the Commission's internal accounting records.

During Fiscal Year 2017, the State Comptroller's records show the Commission ordered \$160,401 into the State Treasury. In addition, as noted in Finding 2017-002, we noted the Commission did not ensure reconciliations of its internal accounting records to the State Comptroller's records were performed throughout Fiscal Year 2017.

We did not identify any compensating controls to mitigate this significant control weakness over the Commission's receipt processing transaction cycle.

- For non-payroll expenditures, the Commission's Assistant Director has the authority to perform the following parts of the transaction cycle:
 - **Authorization** by reviewing and approving transactions, including having signature authority;
 - **Custody** by maintaining electronic and physical records and submitting expenditures for payment to the State Comptroller; and,
 - **Recordkeeping** by preparing entries and maintaining the Commission's internal accounting records.

In addition, as noted in Finding 2017-002, we noted the Commission did not ensure reconciliations of its internal accounting records to the State Comptroller's records were performed throughout Fiscal Year 2017.

We did not identify any compensating controls to mitigate this significant control weakness over the Commission's non-payroll expenditure transaction cycle, which totaled \$68,238 during Fiscal Year 2016 and \$91,975 during Fiscal Year 2017.

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

Commission management stated the issues noted were due to staff shortages caused by position vacancies and management employees taking leaves during the examination period.

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Failure to limit the ability of one person to have the authority to perform all functions of a transaction increases the likelihood a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. (Finding Code No. 2017-001)

RECOMMENDATION

We recommend the Commission implement procedures to limit one person from having the authority to perform all the functions associated with a transaction.

COMMISSION RESPONSE

The Commission accepts this finding and recommendation which was a result of staffing shortages typical in small agencies. The Commission will review staffing duties and responsibilities to determine a course of action to ensure adequate segregation of duties.

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2017-002. **FINDING** (Failure to Perform Required Reconciliations)

The Deaf and Hard of Hearing Commission (Commission) did not ensure all monthly reconciliations of the Commission's receipt and expenditure records to the records of the Office of the State Comptroller (Comptroller) were performed.

During testing, we noted the following:

- Ten of 24 (42%) monthly reconciliations of the Commission's receipt records to the Comptroller's Monthly Revenue Status Report (SB04) were not performed. These reconciliations were for the months of September 2016 through June 2017.
- Fourteen of 28 (50%) monthly reconciliations of the Commission's expenditure records to the Comptroller's Monthly Appropriation Status Report (SB01) were not performed. These reconciliations were for the months of August 2016 through September 2017.

The Statewide Accounting Management System (SAMS) (Procedure 07.30.20) notes "the effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handles that data properly. Agency reconciliation is the primary control that insures these requirements are being satisfied." As such, SAMS (Procedures 11.40.20 and 25.40.20) requires the Commission to perform a reconciliation of the monthly SB01 and SB04 reports generated by the Comptroller to its internal accounting records.

Commission management stated the issues noted were due to staff shortages and competing priorities.

Failure to properly reconcile the Commission's records to the Comptroller's records in a timely manner represents noncompliance with SAMS and could result in incomplete or inaccurate financial information. (Finding Code No. 2017-002)

RECOMMENDATION

We recommend the Commission strengthen its controls and procedures to ensure its receipt and expenditures records are properly and timely reconciled to Comptroller records.

STATE OF ILLINOIS
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COMMISSION RESPONSE

The Commission accepts this finding and recommendation. While staff shortages persist, procedures are being developed to ensure the completion of required reconciliations moving forward.

STATE OF ILLINOIS
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For the Two Years Ended June 30, 2017

2017-003. **FINDING** (Inadequate Controls over Receipts)

The Deaf and Hard of Hearing Commission (Commission) did not maintain adequate controls over the receipts process to ensure all receipts were properly recorded.

During testing, we noted the following:

- The Commission was unable to provide adequate records substantiating the population of receipts collected during the examination period.
- The Commission's Fiscal Year 2016 and Fiscal Year 2017 receipt ledgers did not trace to the Monthly Revenue Status Report (SB04) prepared by the Office of the State Comptroller (Comptroller). We noted the SB04 reports included receipts totaling \$1,405 in Fiscal Year 2016 and \$3,187 in Fiscal Year 2017 which were not included on its internal ledger.

Due to these conditions, we were unable to conclude the Commission's population records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the Commission's receipts. In addition, due to these limitations, we were unable to conclude the Commission's Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller on page 31 was complete and appropriately reported.

Even given the population limitations noted above which hindered the ability of us to conclude whether selected samples were representative of the population as a whole, we performed tests of the available records and did not note any exceptions.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Commission to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues and resources 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. Further, the State Officials and Employees Money Disposition Act (30 ILCS 230/2(a)) requires the Commission to keep proper books with a detailed itemized account of each receipt, including the date when the receipt was received by the Commission, the payor, the purpose of the payment, and the manner of disbursement into the State Treasury.

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In addition, the Statewide Accounting Management System (SAMS) (Procedure 25.40.20) requires the Commission to perform reconciliations of the monthly SB04 report and notify the Comptroller of any unreconcilable differences so that the necessary corrective action can be taken to locate the differences and correct the accounting records.

Commission management stated the issues noted were due to staff shortages and competing priorities.

Failure to implement adequate internal controls over money received and its reporting increases the risk that errors and irregularities could occur and not be detected and represents noncompliance with State laws. (Finding Code No. 2017-003)

RECOMMENDATION

We recommend the Commission strengthen its receipts process to ensure all receipts are properly recorded and reconciled to the Comptroller's SB04 reports.

COMMISSION RESPONSE

The Commission accepts this finding and recommendation. The Commission is working to strengthen its internal controls over receipts.

STATE OF ILLINOIS
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2017-004. **FINDING** (Inadequate Controls over Agency Fee Imposition Reports)

The Deaf and Hard of Hearing Commission (Commission) lacked adequate controls over its Agency Fee Imposition Reports.

During testing, we noted the following:

- The total receipts reported on the Commission's Fiscal Year 2016 and Fiscal Year 2017 Agency Fee Imposition Reports did not agree to the Commission's receipt ledgers and were overstated by \$2,025 and \$15,401, respectively.
- Both of the Commission's Agency Fee Imposition Reports were not properly completed, as the fee totals listed in the deposit detail did not properly trace to the totals listed in the Fee Registry and Rates.

The Statewide Accounting Management System (SAMS) (Procedure 33.16.10) states the Agency Fee Imposition Report must include the total amount of revenue generated on a cash basis by the fee during the preceding fiscal year.

- 14 of 61 (23%) fees listed on the Commission's Fiscal Year 2016 and Fiscal Year 2017 Agency Fee Imposition Reports did not properly trace to the Commission's receipt ledgers.
- The Fiscal Year 2017 Agency Fee Imposition Report was submitted 30 days late.

SAMS (Procedure 33.16.20) requires the Commission to submit an annual Agency Fee Imposition Report, including all charges by the Commission to citizens and private organizations, to the Office of the State Comptroller by August 1.

Commission management stated these issues noted were due to other competing priorities and reporting errors by a prior administration.

Inaccurate reporting of fees by the Commission reduces the reliability of the Statewide Agency Fee Imposition Report submitted to the General Assembly, lessens governmental oversight, and represents noncompliance with SAMS. (Finding Code No. 2017-004)

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RECOMMENDATION

We recommend the Commission strengthen its controls and procedures to submit accurate Agency Fee Imposition Reports to the Comptroller in a timely manner.

COMMISSION RESPONSE

The Commission accepts this finding and recommendation. The Commission plans to implement changes to internal procedures to address the issues identified in this finding.

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2017-005. **FINDING** (Untimely Expenditure Approvals)

The Deaf and Hard of Hearing Commission (Commission) did not timely approve vouchers for the payment of certain expenditures.

During our testing of 60 expenditure vouchers, totaling \$40,967, we noted 12 (20%) expenditure vouchers, totaling \$7,493, were approved for payment between 11 and 307 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70) requires the Commission to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after physically receiving the bill.

Commission management stated the issues noted were due to other competing priorities.

Late approval of vouchers represents noncompliance with the Code. (Finding Code No. 2017-005)

RECOMMENDATION

We recommend the Commission strengthen its controls over voucher processing to ensure vouchers are timely approved.

COMMISSION RESPONSE

The Commission accepts this finding and recommendation which was a result of staffing shortages typical to small agencies. The Commission is working to strengthen its controls over voucher processing.

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2017-006. **FINDING** (Property Control Weaknesses)

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

During testing, we noted the following:

- Three of four (75%) equipment additions tested, totaling \$805, were not recorded on the Commission's property listing.
- Three of 21 (14%) equipment deletions tested, totaling \$1,317, were removed from the property listing from 81 to 559 days after the disposal date.
- One of 21 (5%) equipment deletions tested, totaling \$1,585, was removed from the property listing 69 days before its actual disposal date.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) requires the Commission to adjust its property records within 30 days of acquiring, changing, or deleting an equipment item.

- One of 21 (5%) equipment items tested was not properly documented on the Surplus Property Delivery Form provided by the Department of Central Management Services (CMS), which misstated the asset's acquisition cost of \$111.

The Code (44 Ill. Admin. Code 5010.620(b)) requires the Commission report transferable equipment on a property change report from CMS, which includes the item's original acquisition cost.

- One of 36 (3%) equipment items tested, totaling \$479, was identified as obsolete to the Commission's needs and required transfer to surplus.

The Code (44 Ill. Admin. Code 5010.620(a)) requires the Commission to regularly survey its inventories and report transferable equipment to the CMS Property Control Division. Further, the Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Commission to identify and, if necessary, remove those assets that are obsolete, damaged, or no longer used in operations.

Commission management stated the issues noted were due to competing priorities.

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Failure to exercise adequate internal control over property represents noncompliance with State regulations, reduces the reliability of Statewide property reporting, and increases the risk errors or other irregularities could occur and not be detected in a timely manner by employees in the normal course of performing their assigned duties. (Finding Code No. 2017-006)

RECOMMENDATION

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

- equipment is timely added to the Commission's property records;
- equipment is timely removed from the Commission's property records;
- all required equipment information is properly reported to CMS; and,
- obsolete equipment is transferred to CMS.

COMMISSION RESPONSE

The Commission accepts this finding and recommendation. While staff shortages persist, the Commission will review internal controls to determine a course of action to address the issues contained in this finding.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
PRIOR FINDING NOT REPEATED
For the Two Years Ended June 30, 2017

A. **FINDING** (Noncompliance with Open Meetings Act’s Training Requirements)

During the prior examination, the Deaf and Hard of Hearing Commission (Commission) did not comply with the training requirements established by the Open Meetings Act (5 ILCS 120).

During the current examination, our testing indicated all newly appointed Commission members properly completed training and all training documentation was obtained and retained. (Finding Code No. 2015-001)

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2017

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 – Fiscal Year 2017
 - Schedule of Appropriations, Expenditures, and Lapse Balances – Fiscal Year 2016
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts and Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller

- Analysis of Operations (Not Examined):
 - Commission Functions and Planning Program (Not Examined)
 - Analysis of Significant Variations in Expenditures (Not Examined)
 - Analysis of Significant Variations in Receipts (Not Examined)
 - Analysis of Significant Lapse Period Spending (Not Examined)
 - Budget Impasse Disclosure (Not Examined)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)
 - Interest Costs on Invoices (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, 2017, and June 30, 2016, accompanying supplementary information in Schedules 1 through 5. 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

Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

Public Act 99-0524 and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures July 1 to September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services		\$ 369,425	\$ 15,018	\$ 384,443	
Subtotal - Fund 001		<u>\$ 369,425</u>	<u>\$ 15,018</u>	<u>\$ 384,443</u>	
<u>INTERPRETERS FOR THE DEAF FUND - 449</u>					
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 200,000	\$ 46,257	\$ 17,531	\$ 63,788	\$ 136,212
Subtotal - Fund 449	<u>\$ 200,000</u>	<u>\$ 46,257</u>	<u>\$ 17,531</u>	<u>\$ 63,788</u>	<u>\$ 136,212</u>
<u>BUDGET STABILIZATION FUND - 686</u>					
Ordinary and Contingent Expenses	\$ 30,000	\$ 28,685	\$ 492	\$ 29,177	\$ 823
Subtotal - Fund 686	<u>\$ 30,000</u>	<u>\$ 28,685</u>	<u>\$ 492</u>	<u>\$ 29,177</u>	<u>\$ 823</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 230,000</u>	<u>\$ 444,367</u>	<u>\$ 33,041</u>	<u>\$ 477,408</u>	<u>\$ 137,035</u>
GRAND TOTAL - ALL FUNDS		<u>\$ 444,367</u>	<u>\$ 33,041</u>	<u>\$ 477,408</u>	

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

Public Act 99-0524 and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures	Balances Lapsed
		Expenditures July 1 to September 30	Expenditures Through June 30		
FISCAL YEAR 2017		September 30	September 30	September 30	Lapsed

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Commission records.
- Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.
- Note 3: During Fiscal Year 2017, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Minger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As Public Act 100-0021 states appropriation authority granted by the General Assembly does not supercede any court order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the Commission was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2017.
- Note 4: Public Act 99-0524 authorized the Commission to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 38 includes information from Commission management about the number of invoices and the total dollar amount of invoices held by the Commission submitted against its Fiscal Year 2017 appropriation.
- Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Commission to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 38 includes information from Commission management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Commission to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30	Lapse Period Expenditures		Total Expenditures 14 Months Ended August 31	Balances Lapsed
			July 1 to August 31	August 31		
Public Act 99-0524 and Court-Ordered Expenditures						
FISCAL YEAR 2016						
<u>APPROPRIATED FUNDS</u>						
<u>GENERAL REVENUE FUND - 001</u>						
Personal Services		\$ 371,232	\$ 13,548	\$ 384,780		
Subtotal - Fund 001		<u>\$ 371,232</u>	<u>\$ 13,548</u>	<u>\$ 384,780</u>		
<u>INTERPRETERS FOR THE DEAF FUND - 449</u>						
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 200,000	\$ 14,766	\$ 42,343	\$ 57,109	\$ 142,891	
Subtotal - Fund 449	<u>\$ 200,000</u>	<u>\$ 14,766</u>	<u>\$ 42,343</u>	<u>\$ 57,109</u>	<u>\$ 142,891</u>	
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 200,000</u>	<u>\$ 385,998</u>	<u>\$ 55,891</u>	<u>\$ 441,889</u>	<u>\$ 142,891</u>	

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

Public Act 99-0524 and Court-Ordered Expenditures	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed
		Expenditures Through June 30	Expenditures July 1 to August 31		
FISCAL YEAR 2016					
<u>NON-APPROPRIATED FUND</u>					
<u>DEAF AND HARD OF HEARING SPECIAL PROJECTS</u>					
<u>FUND - 405</u>					
Special Projects		\$ 27,378	\$ -	\$ 27,378	
Subtotal - Fund 405		<u>\$ 27,378</u>	<u>\$ -</u>	<u>\$ 27,378</u>	
TOTAL - ALL NON-APPROPRIATED FUNDS		<u>\$ 27,378</u>	<u>\$ -</u>	<u>\$ 27,378</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 413,376</u>	<u>\$ 55,891</u>	<u>\$ 469,267</u>	

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to Commission records.
- Note 2: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.
- Note 3: During Fiscal Year 2016, the Commission operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Commission never received enacted personal services appropriations for Fund 001, the Commission was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs in Fiscal Year 2016. Further, the Commission incurred non-payroll obligations within Fund 449, which the Commission was unable to pay until the passage of Public Act 99-0524.
- Note 4: Public Act 99-0524 authorizes the Commission to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 38 includes information from Commission management about the number of invoices and the total dollar amount of invoices held by the Commission to be submitted against its Fiscal Year 2017 appropriations.

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		
	2017	2016	2015
	P.A. 99-0524 & Court-Ordered Expenditures	P.A. 99-0524 & Court-Ordered Expenditures	P.A. 98-0680 P.A. 99-0001
Appropriated Funds			
General Revenue Fund - 001			
Appropriations (Net of Transfers)			\$ 635,400
Expenditures			
Personal Services	\$ 384,443	\$ 384,780	\$ -
Operational Expenses	-	-	520,138
Total Expenditures	\$ 384,443	\$ 384,780	\$ 520,138
Lapsed Balances			\$ 115,262
Interpreters for the Deaf Fund - 449			
Appropriations (Net of Transfers)	\$ 200,000	\$ 200,000	\$ 200,000
Expenditures			
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 63,788	\$ 57,109	\$ 182,093
Total Expenditures	\$ 63,788	\$ 57,109	\$ 182,093
Lapsed Balances	\$ 136,212	\$ 142,891	\$ 17,907
Budget Stabilization Fund - 686			
Appropriations (Net of Transfers)	\$ 30,000	\$ -	\$ -
Expenditures			
Ordinary and Contingent Expenses	\$ 29,177	\$ -	\$ -
Total Expenditures	\$ 29,177	\$ -	\$ -
Lapsed Balances	\$ 823	\$ -	\$ -
Total - Appropriated Funds			
Total Appropriation	\$ 230,000	\$ 200,000	\$ 835,400
Total Appropriated Expenditures	\$ 477,408	\$ 441,889	\$ 702,231
Lapsed Balances	\$ 137,035	\$ 142,891	\$ 133,169

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		
	2017	2016	2015
	P.A. 99-0524 & Court-Ordered Expenditures	P.A. 99-0524 & Court-Ordered Expenditures	P.A. 98-0680 P.A. 99-0001
Non-Appropriated Fund			
Deaf and Hard of Hearing Special Projects Fund - 405			
Special Projects	\$ -	\$ 27,378	\$ 26,513
Total Non-Appropriated Expenditures	\$ -	\$ 27,378	\$ 26,513
GRAND TOTAL - ALL FUNDS	\$ 477,408	\$ 469,267	\$ 728,744

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and September 30, 2016, and have been reconciled to Commission records.

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

Note 3: During Fiscal Year 2017, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As Public Act 100-0021 states appropriation authority granted by the General Assembly does not supercede any court order directing the expenditure of funds and states such payments are added to the appropriations granted by the General Assembly, the Commission was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2017.

Note 4: During Fiscal Year 2016, the Commission operated without enacted appropriations until Public Act 99-0524 was signed into law on June 30, 2016. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As such, the Commission never received enacted personal services appropriations for Fund 001, the Commission was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs in Fiscal Year 2016. Further, the Commission incurred non-payroll obligations within Fund 449, which the Commission was unable to pay until the passage of Public Act 99-0524.

Note 5: Public Act 99-0524 authorized the Commission to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 38 includes information from Commission management about the number of invoices and the total dollar amount of invoices held by the Commission submitted against its Fiscal Year 2017 appropriation.

Note 6: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Commission to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 38 includes information from Commission management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Commission to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2017

	<u>Equipment</u>
Balance at July 1, 2015	\$ 138,205
Additions	221
Deletions	(1,585)
Net Transfers	<u>(15,090)</u>
Balance at June 30, 2016	<u>\$ 121,751</u>
Balance at July 1, 2016	\$ 121,751
Additions	-
Deletions	(1,278)
Net Transfers	<u>(1,035)</u>
Balance at June 30, 2017	<u>\$ 119,438</u>

Note: The above schedule has been derived from the Commission's records and includes the adjustments noted in Finding 2017-006. This schedule has been reconciled to property reports submitted to the Office of the State Comptroller.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION SCHEDULE
OF CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30,

	FISCAL YEAR		
	2017	2016	2015
Deaf and Hard of Hearing Special Projects Fund - 0405			
Illinois State Board of Education - Federal Grant	\$ 14,000	\$ 26,512	\$ 30,000
Total Cash Receipts per Commission Records	14,000	26,512	30,000
Add: Deposits in Transit, Beginning of Year	-	-	-
Less: Deposits in Transit, End of Year	(14,000)	-	-
Total Cash Receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ 26,512</u>	<u>\$ 30,000</u>
Interpreters for the Deaf Fund - 0449			
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 157,824	\$ 171,200	\$ 175,211
Total Cash Receipts per Commission Records	157,824	171,200	175,211
Add: Deposits in Transit, Beginning of Year	1,305	160	7,170
Less: Deposits in Transit, End of Year	(1,915)	(1,305)	(160)
Add: Receipts not Recorded on the Commission's Records	3,187	1,405	35
Total Cash Receipts per State Comptroller's Records	<u>\$ 160,401</u>	<u>\$ 171,460</u>	<u>\$ 182,256</u>
Grand Total All Funds			
Total Cash Receipts per Commission Records	\$ 171,824	\$ 197,712	\$ 205,211
Add: Deposits in Transit, Beginning of Year	1,305	160	7,170
Less: Deposits in Transit, End of Year	(15,915)	(1,305)	(160)
Add: Receipts not Recorded on the Commission's Records	3,187	1,405	35
Total Cash Receipts per State Comptroller's Records - All Funds	<u>\$ 160,401</u>	<u>\$ 197,972</u>	<u>\$ 212,256</u>

Note: We could not determine the Commission's receipt records were sufficiently complete and accurate, as noted in Finding 2017-003.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

The Deaf and Hard of Hearing Commission (Commission) was established as a coordinating and advocating body that acts on behalf of interests of persons in the State who are deaf or hard of hearing.

Commission Functions

Under the Deaf and Hard of Hearing Commission Act (20 ILCS 3932), the Commission must:

- 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 governments, the State, and the Federal government 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 by tracking and evaluating 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; and,
- submit an annual report of its activities to the Governor and the General Assembly.

The Commission is comprised of a governing board of 11 Commissioners appointed by the Governor. The Commissioners, who serve without compensation, are appointed to hold office for a term of three years, with no member allowed to serve more than two consecutive terms. The members (two vacancies) of the Commission at June 30, 2017, were:

Dennis O' Brien, Chair
Cindy Janovetz
Lori Krakora
Vacant

Susan Dramin-Weiss
Joseph Culpepper
Amy Blough
Vacant

Laura Thomas
Haydee Garcia
Karla Giese

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

The Interpreter for the Deaf Licensure Act of 2007 (Act) (225 ILCS 443) requires sign language interpreters to be licensed to provide interpreting services in the State. Under the Act, the Commission must:

- exercise the powers and duties prescribed by the Civil Administrative Code of Illinois for the administration of licensing laws consistent with its duties;
- adopt rules for administration and enforcement of licensure and the payment of fees for licensure;
- 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 the Act; and
- appoint an Illinois Board of Interpreters for the Deaf (Board) consisting of seven voting members who serve in an advisory capacity to the Commission.

The Board's seven voting members consist of four licensed interpreters for the deaf and three deaf or hard of hearing consumers. Additionally, the Interpreter Coordinator serves as a non-voting member of the Board. Each Board member is reimbursed for all authorized legitimate and necessary expenses incurred in attending meetings and hold office for four-year terms until their successor is appointed and qualified. No member may serve more than two consecutive terms. The members of the Board at June 30, 2017, were:

Shelley Williams, Chair
William Lee
Laura Braucht

Lisa Caringer, Vice-Chair
Deborah Sampson

Susan Sanders, Secretary
Laura Thompson

Planning Program

The Commission has four target goals within its five-year strategic plan:

- to empower deaf, hard of hearing, and deaf-blind individuals and their families to advocate for themselves, by providing targeted materials that address advocacy issues and hearing loss awareness;
- to enhance the Commission's visibility and the resources available to constituents;
- to identify and decrease the barriers to communication access; and,
- to increase community capacity for cultural competence.

These target goals encompass the Commission's overall vision that all residents in the State 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
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

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
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016

Budget Stabilization Fund - 686

Ordinary and Contingent Expenses

During Fiscal Year 2017, the Commission received a new appropriation to cover its ordinary and contingent expenses previously paid from the General Revenue Fund.

Deaf and Hard of Hearing Special Projects Fund - 405

Special Projects

During Fiscal Year 2017, the Commission's grant money was delayed, due to new Grant Accountability and Transparency Act (GATA) requirements. The Commission was given an extension by the Illinois State Board of Education to spend the Fiscal Year 2017 grant money through August 31, 2017. Because the expenses were not incurred prior to June 30, 2017, the grant money will be expended in Fiscal Year 2018.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2016 AND 2015

General Revenue Fund - 001

Personal Services

Due to the budget impasse, the Commission did not receive any General Revenue Fund appropriations. However, the Commission was able to pay personal services costs only pursuant to a court order during the impasse.

Operational Expenses

Due to the budget impasse, the Commission did not receive any General Revenue Fund appropriations in Fiscal Year 2016.

Interpreter for the Deaf Fund - 449

Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007

The decrease in expenditures was due to the Interpreter Coordinator leaving the Commission on August 14, 2015. Thereafter, this position was left vacant.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016

Deaf and Hard of Hearing Special Projects Fund - 405

Illinois State Board of Education – Federal Grants

The decrease was due to the timing of approvals for grant funds. During Fiscal Year 2017, the Illinois State Board of Education began using the Grant Accountability and Transparency Act (GATA) system for reporting and approving grant monies. Due to this change, the Commission took longer to get approvals for receipts related to this grant. The Commission received an extension to report receipts in Fiscal Year 2018.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2016 AND 2015

There were no significant variations in receipts between Fiscal Year 2016 and Fiscal Year 2015.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

FISCAL YEAR 2017

Interpreters for the Deaf Fund – 449

Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007

During Fiscal Year 2017, the Medical Immersion Workshop was hosted during April 2017 with additional printing and supplies. Additionally, Illinois Board for Evaluation of Interpreters (IL-BEI) certification tests were held during May 2017 and June 2017 to accommodate providing results within 90 days due to the large number of test candidates. Due to staff shortages, these expenditures were not processed for payment until after June 30, 2017.

FISCAL YEAR 2016

Interpreters for the Deaf Fund – 449

Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007

During Fiscal Year 2016, appropriations to pay non-payroll costs were not received until June 30, 2016; therefore, these expenditures were processed during the Lapse Period.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
BUDGET IMPASSE DISCLOSURES
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Commission to pay Fiscal Year 2016 costs using the Commission's Fiscal Year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the Commission to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Commission's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The following chart shows the Commission's plan to pay its prior costs using future appropriations:

FISCAL YEAR 2016 INVOICES

Fund #	Fund Name	Paid From Fiscal Year 2017 Appropriations		Paid from Fiscal Year 2018 Appropriations	
		Number	Dollar Value	Number	Dollar Value
001	General Revenue Fund	0	\$ -	31	\$ 68,282
449	Interpreters for the Deaf Fund	0	-	0	-
686	Budget Stabilization Fund	235	25,095	0	-
		235	\$ 25,095	31	\$ 68,282

FISCAL YEAR 2017 INVOICES

Fund #	Fund Name	Paid From Fiscal Year 2017 Appropriations		Paid from Fiscal Year 2018 Appropriations	
		Number	Dollar Value	Number	Dollar Value
001	General Revenue Fund	122	\$ 64,208	175	\$ 109,300
449	Interpreters for the Deaf Fund	235	25,095	0	-
686	Budget Stabilization Fund	20	4,897	0	-
		377	\$ 94,200	175	\$ 109,300

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

Transactions Involving the Illinois Finance Authority

The Commission and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016 and Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Commission's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2016 and Fiscal Year 2017.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
INTEREST COSTS ON INVOICES
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

Prompt Payment Interest Costs

The Commission plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016 and Fiscal Year 2017. The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Commission. The following chart shows the Commission's prompt payment interest incurred related to Fiscal Year 2016 and Fiscal Year 2017 invoices, calculated on the accrual basis of accounting, through June 30, 2016, and June 30, 2017, by fund:

PROMPT PAYMENT INTEREST INCURRED

Year Ended June 30, 2016

Fund #	Fund Name	Invoices	Vendors	Dollar Value
001	General Revenue Fund	0	0	\$ -
449	Interpreters for the Deaf Fund	2	1	36
686	Budget Stabilization Fund	46	23	648
		<u>48</u>	<u>24</u>	<u>\$ 684</u>

PROMPT PAYMENT INTEREST INCURRED

Year Ended June 30, 2017

Fund #	Fund Name	Invoices	Vendors	Dollar Value
001	General Revenue Fund	0	0	\$ -
449	Interpreters for the Deaf Fund	4	3	1,053
686	Budget Stabilization Fund	64	25	1,032
		<u>68</u>	<u>28</u>	<u>\$ 2,085</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

The following table, prepared from Commission records, presents the average number of employees, by position, for the Fiscal Year Ended June 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Director	1	1	1
Assistant Director	1	1	1
Personnel Manager	1	1	1
Legal Counsel	1	1	1
Program Coordinator	1	1	1
Interpreter Coordinator	0	0	1
Executive Secretary	0	0	1
Total average full-time employees	<u>5</u>	<u>5</u>	<u>7</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SERVICE EFFORTS AND ACCOMPLISHMENTS
For the Two Years Ended June 30, 2017

(NOT EXAMINED)

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

<u>Output Indicators</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Public inquiries addressed	11,373	12,100	3,821
Distribution of educational and informational materials	20,188	58,100	30,418
Interpreter skill development	203	0	446
Interpreters licensed	724	679	575
Number of Illinois Board for Evaluation of Interpreters (IL-BEI) certification tests	282	243	135
Applications processed	1,025	617	1,204