

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

COMPLIANCE EXAMINATION

For the Two Years Ended June 30, 2019

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2019

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COMMISSION OFFICIALS

Commission Chair	Mr. Dennis O'Brien
Director (11/2/20 – Present)	Mr. Benro Ogunyipe
Director (Interim) (12/28/17 – 11/1/20)	Ms. Tonia Bogener
Director (11/10/17 – 12/27/17)	Vacant
Director (7/1/17 – 11/9/17)	Mr. John Miller
Assistant Director (7/1/18 – Present)	Vacant
Assistant Director (7/1/17 – 6/30/18)	Ms. Janet Lambert
Legal Counsel (11/2/20 – Present)	Ms. Tonia Bogener
Legal Counsel (12/28/17 – 11/1/20)	Vacant
Legal Counsel (7/1/17 – 12/27/17)	Ms. Tonia Bogener
Personnel Manager/Fiscal Officer ¹	Ms. Patty Greene

¹Ms. Patty Greene retired on 9/30/17; however, she entered into a personal services contract to continue to serve as Personnel Manager/Fiscal Officer.

GOVERNING COMMISSION MEMBERS

Commissioner	Ms. Amy Blough
Commissioner	Mr. Joseph Culpepper
Commissioner	Ms. Lori Krakora
Commissioner	Ms. Susan Dramin-Weiss
Commissioner (3/30/18 – Present)	Ms. Susan Sacco
Commissioner (11/14/17 – 3/29/18)	Vacant
Commissioner (7/1/17 – 11/13/17)	Ms. Cindy Janovetz
Commissioner (3/17/18 – Present)	Mr. David Frazier
Commissioner (7/1/17 – 3/16/18)	Vacant
Commissioner (3/30/18 – Present)	Mr. Bryan Yunashako
Commissioner (2/9/18– 3/29/18)	Vacant
Commissioner (7/1/17 – 2/8/18)	Ms. Haydee Garcia

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GOVERNING COMMISSION MEMBERS (Continued)

Commissioner (11/15/19 – Present)	Vacant
Commissioner (3/16/18 – 11/14/19)	Mr. Joseph Obermaier
Commissioner (4/24/17 – 3/15/18)	Vacant
Commissioner (7/1/17 – 4/23/17)	Ms. Laura Thomas
Commissioner (11/15/18 – Present)	Vacant
Commissioner (7/1/17 – 11/14/18)	Ms. Karla Giese
Commissioner (7/1/17 – Present)	Vacant

COMMISSION OFFICE

The Commission's office is located at:
528 South Fifth Street, Suite 209
Springfield, Illinois 62701

JB PRITZKER
GOVERNOR



BENRO OGUNYIPE
DIRECTOR

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

March 4, 2021

Honorable Frank J. Mautino
Auditor General
State of Illinois
740 East Ash Street
Springfield, Illinois 62703-3154

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 (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 specified requirements during the two-year period ended June 30, 2019. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2019, the Commission has materially complied with the specified requirements listed 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,

State of Illinois, Deaf and Hard of Hearing Commission

SIGNED ORIGINAL ON FILE

Mr. Benro Ogunyipe, Director

SIGNED ORIGINAL ON FILE

Ms. Patty Greene, Personnel Manager/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 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 contains an adverse 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	10	6
Repeated Findings	5	0
Prior Recommendations Implemented or Not Repeated	1	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-001	12	New	Failure to Provide Requested Engagement Documentation	Material Weakness and Material Noncompliance
2019-002	14	2017	Inadequate Segregation of Duties	Material Weakness and Material Noncompliance
2019-003	16	2017	Failure to Perform Required Reconciliations	Material Weakness and Material Noncompliance
2019-004	18	2017	Voucher Processing Weaknesses	Material Weakness and Material Noncompliance
2019-005	20	New	Noncompliance with Statutory Requirements	Material Weakness and Material Noncompliance

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SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
2019-006	22	2017	Inadequate Controls over Receipts	Significant Deficiency and Noncompliance
2019-007	24	New	Noncompliance with the Fiscal Control and Internal Auditing Act	Significant Deficiency and Noncompliance
2019-008	25	2017	Inadequate Controls over Agency Fee Imposition Reports	Significant Deficiency and Noncompliance
2019-009	27	New	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance
2019-010	29	New	Failure to Report Held Invoices to the State Comptroller	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A 30 Property Control Weaknesses

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Commission personnel at an exit conference on February 18, 2021.

Attending were:

Deaf and Hard of Hearing Commission
 Benro Ogunyipe, Director
 Patty Greene, Fiscal Officer/Personnel Manager
 Janet Lambert, Interpreter Coordinator

Office of the Auditor General
 Megan Green, Audit Manager
 Dennis Gibbons, Audit Manager
 Christian Cortes, Audit Supervisor
 Matthew Motley, Staff Auditor

STATE OF ILLINOIS
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The responses to the recommendations were provided by Janet Lambert, Interpreter Coordinator, in a correspondence dated March 4, 2021.

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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

and

Governing Board
State of Illinois, Deaf and Hard of Hearing Commission

Compliance

We have examined compliance by the State of Illinois, Deaf and Hard of Hearing Commission (Commission) with the specified 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, 2019. Management of the Commission is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the Commission's compliance with the specified requirements based on our examination.

The specified requirements are:

- 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the Commission complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the Commission complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

Our examination does not provide a legal determination on the Commission's compliance with the specified requirements.

Our examination disclosed material noncompliance with the specified requirements during the two years ended June 30, 2019. As described in items 2019-001 through 2019-010 in the accompanying Schedule of Findings, the Commission did not comply with the specified requirements. Items 2019-001 through 2019-005 are each considered to represent material deviations with the specified requirements. As described in the accompanying Schedule of Findings as item 2019-001, the Commission had not 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. As described in the accompanying Schedule of Findings as item 2019-001, the Commission had not 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. As described in the accompanying Schedule of Findings as items 2019-001 through 2019-005, the Commission had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. As described in the accompanying Schedule of Findings as items 2019-001 and 2019-003, the Commission had not ensured the State revenues and receipts collected by the Commission were in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts was fair, accurate, and in accordance with law. As described in the accompanying Schedule of Findings as item 2019-001, money or negotiable securities or similar assets handled by the Commission on behalf of the State or held in trust by the Commission had not been properly and legally administered and the accounting and recordkeeping relating thereto

is proper, accurate, and in accordance with law. Items 2019-006 through 2019-010 individually would have been regarded as significant noncompliance with the specified requirements; however, when aggregated, we determined these items constitute material deviations with the specified requirements.

In our opinion, because of the significance and pervasiveness of the material deviations from the specified requirements described in the preceding paragraph, the Commission did not comply with the specified requirements during the two years ended June 30, 2019, in all material respects.

The Commission's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. The Commission's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control Over Compliance

Management of the Commission is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Commission's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Commission's compliance with the specified requirements and to test and report on the Commission's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2019-001 through 2019-005 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2019-006 through 2019-010 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 internal control findings identified in our examination are described in the accompanying Schedule of Findings. The Commission's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. 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 the Commission's compliance with the specified requirements. The accompanying supplementary information for the years ended June 30, 2018, and June 30, 2019, in Schedules 1 through 5 and the Analysis of Operations section are presented for purposes of additional analysis. Such information is the responsibility of Commission management. Because of the significance of the matters described in the accompanying Schedule of Findings as items 2019-001 through 2019-010, it is inappropriate to, and we do not, express an opinion on the supplementary information referred to above.

SIGNED ORIGINAL ON FILE

JANE CLARK, CPA
Director of Financial and Compliance Audits

Springfield, Illinois
March 4, 2021

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-001. **FINDING** (Failure to Provide Requested Engagement Documentation)

The Deaf and Hard of Hearing Commission (Commission) did not provide requested documentation to auditors.

During the compliance examination, we made numerous requests from the Commission which were not fulfilled as follows:

- The Commission did not provide requested information related to the operation of its petty cash fund.
- The Commission did not provide requested information related to its property control operations:
 - Corresponding invoice-vouchers for equipment purchased during Fiscal Year 2018 and Fiscal Year 2019; and,
 - Supporting documentation related to the deletion of equipment items during Fiscal Year 2018 and Fiscal Year 2019.
- The Commission did not provide requested information regarding the extent of electronic processing and complexity of electronic operations, including policies and procedures governing confidential information. Additionally, information regarding application administration and access rights was not provided.

State agencies are required by State law to perform specific duties and responsibilities. Testing of the Commission’s documentation provides evidence of the Commission’s performance of those duties and feedback to the General Assembly regarding the Commission’s compliance with various statutory requirements.

The Illinois State Auditing Act (Act) (30 ILCS 5/3-12) requires each State agency and its officers and employees to promptly comply with, and aid and assist the Auditor General. In addition, the Act requires each State agency, at the request of the Auditor General, to make available to the Auditor General without delay, any record of information requested.

Commission officials indicated staffing shortages contributed to issues noted above.

Without being provided timely documentation and support for testing, we were unable to complete all required testing to provide useful and relevant feedback to the General Assembly regarding the Commission’s compliance with various laws and regulations. (Finding Code No. 2019-001)

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2019-001. **FINDING** (Failure to Provide Requested Engagement Documentation) –
Continued

RECOMMENDATION

We recommend the Commission ensure documentation is provided to the auditors in a timely manner as required by the Illinois State Auditing Act.

COMMISSION RESPONSE

The Commission agrees with the finding and will ensure all future audit requests are responded to in a timely manner going forward.

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2019-002. **FINDING** (Inadequate Segregation of Duties)

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

During testing, we noted for non-payroll expenditures, one individual had the authority to perform the following parts of the transaction cycle, including:

- **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;
- **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.

We did not identify any compensating controls to mitigate this significant control weakness over the Commission's non-payroll expenditure transaction cycle, which totaled \$427,841 during Fiscal Year 2018 and \$272,154 during Fiscal Year 2019.

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 officials attributed the weaknesses noted, as in the prior examination, to staff shortages.

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. 2019-002, 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.

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2019-002. **FINDING** (Inadequate Segregation of Duties) – Continued

COMMISSION RESPONSE

The Commission agrees with this finding which is the result of unavailability of staff. This can be very typical among small agencies where one individual is, in most cases, responsible for various agency responsibilities. The Commission will review and implement controls to ensure fiscal prudence in managing the resources.

STATE OF ILLINOIS
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2019-003. **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 timely and accurately performed.

During testing, we noted the following:

- Eighteen of 24 (75%) 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 July 2017 through December 2018. We were able to reconcile the Commission's records to the SB04.
- Six of 24 (25%) monthly reconciliations of the Commission's receipt records to the Comptroller's SB04 did not contain documentation of the date of completion. As such, we were unable to determine if the reconciliations were performed timely.
- The Commission included a credit of \$210 on its Fiscal Year 2018 receipts ledger that was processed in Fiscal Year 2017. As a result, the Commission's Fiscal Year 2018 receipts records were overstated by \$210.
- The Commission maintained spreadsheets reconciling the Commission's expenditure records to those of the Comptroller for Fiscal Year 2018 and Fiscal Year 2019. During our review of the spreadsheets, we noted the following:
 - The spreadsheets did not document the dates of reconciliation. As such, we could not determine the timeliness of the reconciliations performed.
 - The amounts reported in the Commission's expenditure records did not agree to the Comptroller's records for Fiscal Year 2018. The discrepancies totaled \$75,525.

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 25.40.20, 07.30.20, and 11.40.20) requires the Commission to perform a reconciliation of the monthly reports generated by the Comptroller to its internal accounting records. These reconciliations must be completed within 60 days of month end.

Commission officials, as in the prior examination, attributed the issues noted to competing priorities as well as staff shortages.

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2019-003. **FINDING** (Failure to Perform Required Reconciliations) – Continued

Failure to properly reconcile the Commission’s records to the Comptroller’s records in a timely manner represents noncompliance with SAMS and resulted in incomplete and inaccurate financial information. (Finding Code No. 2019-003, 2017-002)

RECOMMENDATION

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

COMMISSION RESPONSE

The Commission agrees with the recommendation and will implement procedures for formal reconciliations to be completed and documented for the SA02, SB03, and SB04 reports. In addition, the Commission will strengthen procedures for the reconciliations to be completed in a timely manner.

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2019-004. **FINDING** (Voucher Processing Weaknesses)

The Deaf and Hard of Hearing Commission (Commission) did not exercise adequate control over voucher processing.

During testing of 60 non-payroll vouchers, we noted the following:

- 36 (60%) vouchers, totaling \$112,461, were approved for payment between 2 and 289 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.70(b)) requires the Commission to approve proper bills or deny bills with defects, in whole or in part, within 30 days after receipt.

- 7 (12%) vouchers, totaling \$1,408, were travel vouchers that were submitted between 25 and 276 days late by the traveler.

The Internal Revenue Service (IRS) *Publication 535, Business Expenses*, requires employee travel expense reimbursements to be considered taxable wages if the travel expenses are not submitted within a reasonable period, usually within 60 days of the expense being incurred.

- For 8 (13%) vouchers, totaling \$44,509, the Commission did not voucher the required interest associated with the vouchers which were warranted between 12 and 110 days late. This resulted in \$527 of unpaid interest.

The State Prompt Payment Act (30 ILCS 540/3-2(1.05)) requires the Commission pay or issue payment to the payee within 90 days of receipt of a proper bill or invoice. If payment is not issued to the payee within this 90-day period, an interest penalty of 1.0% of any amount approved and unpaid shall be added for each month, or 0.033% (one-thirtieth of one percent) of any amount approved and unpaid for each day, after the end of this 90-day period, until final payment is made.

- The Commission held 36 invoices related to payments to internal service funds for processing at the end of the fiscal year. This resulted in significant lapse period spending of \$80,397 and \$60,882 in Fiscal Year 2018 and Fiscal Year 2019, respectively.

The Code (74 Ill. Admin. Code 1000.50(a)) requires the Commission to process its internal service fund bills within 30 days after receiving an invoice. Further, the Code (74 Ill. Admin. Code 1000.50(b)) requires the Commission to make reasonable efforts to review, approve, and pay all internal service fund bills in

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2019-004. **FINDING** (Voucher Processing Weaknesses) – Continued

the fiscal year the liability was incurred and states the Commission may not leave internal service bills unpaid to circumvent budgetary controls.

Commission officials attributed the issues noted, as in the prior examination, to staff shortages and competing priorities.

Failure to maintain adequate controls over voucher processing increases the risk that errors or irregularities could occur that would not be identified by employees performing their functions in the normal course of business. Late approval of vouchers represents noncompliance with the Code and subjected the Commission to unnecessary interest charges. Failure to submit travel vouchers timely may result in reporting travel reimbursements as taxable employee wages. Failure to pay interest represents noncompliance with the State Prompt Payment Act and could result in unpaid vendors needing to seek payment through the Court of Claims. Finally, failure to pay internal services fund invoices timely hinders the ability of each internal service fund to meet its own obligations in a timely manner. (Finding Code No. 2019-004, 2017-005)

RECOMMENDATION

We recommend the Commission implement controls to ensure compliance with all applicable laws and regulations in its voucher processing, including:

- Approving vouchers for payment in a timely manner;
- Ensuring travel vouchers are submitted for payment in a timely manner;
- Paying all required interest; and,
- Paying internal service fund vouchers promptly.

COMMISSION RESPONSE

The Commission concurs with the finding and believes that staff training and the newly implemented Enterprise Resource Planning (ERP) system will aid in the processing of vouchers going forward.

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2019-005. **FINDING** (Noncompliance with Statutory Requirements)

The Deaf and Hard of Hearing Commission (Commission) did not comply with statutory requirements enumerated in the Deaf and Hard of Hearing Commission Act (DHHC Act) and the Noncompliance with the Interpreter for the Deaf Licensure Act (IDL Act) of 2007.

During testing, we noted:

- The Commission failed to submit annual reports during Fiscal Year 2018 and Fiscal Year 2019.

The DHHC Act (20 ILCS 3932/25) requires the Commission to submit an annual report of its activities to the Governor and the General Assembly on January 1st of each year.

- The Commission was not composed of 11 voting members. As of June 30, 2019, there were three vacancies on the Commission.

The DHHC Act (20 ILCS 3932/15(a)) requires the Commission to be composed of 11 voting members appointed by the Governor from residents of the State whose position, knowledge, or experience enables them to reasonably represent the concerns, needs, and recommendations of deaf or hard of hearing persons.

- The Commission did not prepare and publish required summary reports of statistical information relating to new and renewal license applications for Calendar Years 2017 and 2018.

The IDL Act (225 ILCS 443/47(d)) requires the Commission to prepare and publish reports of summary statistical information relating to new and renewal license applications during the preceding calendar year no later than May 1 of each year.

- The Commission did not provide documentation to substantiate that a *Request to Update Information* form was submitted to properly place an interpreter's license on inactive status for one of five (20%) interpreters tested.

The IDL Act (225 ILCS 443/85) states any interpreter for the deaf who notifies the Commission, on forms prescribed by the Commission, may place his or her license on inactive status and shall be exempt from payment of renewal fees until he or she notifies the Commission, in writing, of the intention to restore his or her license, pays the current renewal fee, and demonstrates compliance with any requisite continuing education.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-005. **FINDING** (Noncompliance with Statutory Requirements) – Continued

The State Records Act (5 ILCS 160/8) requires the Commission to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Commission designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Commission's activities.

Commission officials indicated staff oversight, competing priorities, along with staff shortages contributed to the reports not being filed timely and documentation not maintained. In addition, Commission officials indicated the Commission has continued to make attempts to reach out to the Governor's Office regarding reappointments for vacancies.

Failure to submit annual reports impedes the Governor and General Assembly's oversight functions and represents noncompliance with a statutory requirement. Failure to appoint Commission members in a timely manner represents noncompliance with the DHHC Act and could lead to the Commission's inability to properly conduct its functions as intended by the General Assembly. Failure to prepare and publish required statistical reports limits the ability of interested parties to obtain statistical information relating to new and renewal license applications and represents noncompliance with the Act. Failure to maintain *Request to Update Information* forms inhibits the Commission's ability to substantiate changes made to licensure status. (Finding Code No. 2019-005)

RECOMMENDATION

We recommend the Commission strengthen its internal controls to comply with the Deaf and Hard of Hearing Commission Act and the Noncompliance with the Interpreter for the Deaf Licensure Act by timely submitting an annual report to the Governor and General Assembly, communicating information regarding vacant Commission positions to the parties responsible for making appointments, timely preparing and publishing required statistical reports, and ensuring all changes to license status are properly supported.

COMMISSION RESPONSE

The Commission agrees and will take appropriate measures to improve its procedures to ensure compliance with statutory requirements.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-006. **FINDING** (Inadequate Controls over Receipts)

The Deaf and Hard of Hearing Commission (Commission) did not maintain adequate controls over its receipts processing and related fiscal records.

During testing of 60 receipts, we noted the following:

- For three (5%) receipts tested, totaling \$350, the related Receipt Deposit Transmittal (RDT) was not timely remitted to the Office of the State Comptroller (Comptroller). The RDTs were remitted between 16 and 30 days late.

The Statewide Accounting Management System (SAMS) (Procedure 25.20.10) requires the Commission to prepare a RDT with either a State Treasurer's Draft or other acceptable remittance to order moneys deposited into the State Treasury. Good cash management controls include expediting the deposit of cash receipts into the State Treasury to speed the payment of State obligations. We determined 30 days was a reasonable time frame for remitting the RDT.

- For 13 (22%) receipts tested, totaling \$1,470, the Commission was unable to provide the related deposit slips.

The State Records Act (5 ILCS 160/8) requires the Commission to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Commission designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Commission's activities.

During testing of checks returned for non-sufficient funds, we noted one instance where the Commission received a check for \$150 for an interpreter license that was returned to the Commission for non-sufficient funds. The Commission still issued the license to the interpreter and did not follow up with the interpreter to request repayment until 226 days later.

The Illinois State Collection Act of 1986 (30 ILCS 210/3) declares it to be the public policy of the State to aggressively pursue the collection of accounts or claims due and payable to the State of Illinois through all reasonable means. Good internal controls require prompt follow up on delinquent accounts.

Commission officials indicated, as in the prior examination, competing priorities and staff shortages impacted timely processing. In addition, the implementation of the new Enterprise Resource Planning (ERP) system in Fiscal Year 2019 contributed to the issues noted above.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-006. **FINDING** (Inadequate Controls over Receipts) – Continued

Untimely submission of RDTs delays realization of cash available for expenditure in the State Treasury and could result in untimely payment of vouchers by the Comptroller. Additionally, failure to maintain supporting documentation related to processing receipts results in the inability to substantiate transactions and represents noncompliance with the State Records Act. Failure to promptly follow up on a delinquent account delays realization of cash available and represents noncompliance with the Illinois State Collection Act of 1986. (Finding Code No. 2019-006, 2017-003)

RECOMMENDATION

We recommend the Commission strengthen its receipts process to ensure RDTs are remitted to the Comptroller in a timely manner, the related deposit slip for the receipt transaction is maintained, and delinquent accounts are promptly followed up on for repayment.

COMMISSION RESPONSE

The Commission agrees and will take appropriate measures to improve controls to ensure timely processing of receipts.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-007. **FINDING** (Noncompliance with the Fiscal Control and Internal Auditing Act)

The Deaf and Hard of Hearing Commission (Commission) did not comply with the Fiscal Control and Internal Auditing Act (Act).

During testing, we noted the Commission did not prepare or transmit its internal control certification for Fiscal Year 2019 to the Auditor General.

The Act (30 ILCS 10/3003) requires the Commission’s Director to prepare and submit to the Auditor General by May 1 of each year, a certification that the systems of internal fiscal and administrative controls of the Commission either comply or do not comply with the Act.

Commission officials indicated the issue noted was due to competing priorities.

Failure to complete and submit the required certification to the Auditor General may result in weaknesses in internal control going undetected and represents noncompliance with the Act. (Finding Code No. 2019-007)

RECOMMENDATION

We recommend the Commission strengthen its controls to ensure its internal control certifications are prepared and submitted timely.

COMMISSION RESPONSE

The Commission agrees and will implement controls to ensure timely processing of certifications.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-008. **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* (Report).

During testing, we noted the following:

- The number of fees reported on the Fiscal Year 2018 and Fiscal Year 2019 reports did not agree to the Commission’s receipt ledgers. The discrepancies ranged from 1 to 29 fees.

The Statewide Accounting Management System (SAMS) (Procedure 33.16.20) requires the Commission to report all fees charged to citizens and private organizations.

- The fee total reported for the Interpreter for the Deaf Licensure Fund (Fund 449) on the Fiscal Year 2019 Report did not agree to the Commission’s receipt ledger, resulting in a discrepancy of \$384.

SAMS (Procedure 33.16.10) requires the Report to include the total amount of revenue generated by fees during the fiscal year for which the report is prepared.

- The Commission did not maintain copies of the Reports filed in Fiscal Year 2018 and Fiscal Year 2019. However, the Commission was able to provide summary level reports obtained from the Office of the State Comptroller. These summary reports lacked the following elements required by SAMS (Procedure 33.16.10):
 - Description of the fees imposed;
 - Purpose of the fees;
 - Statutory or other authority for the imposition of the fees;
 - General population affected by the fee;
 - Use of the funds, if earmarked; and,
 - Cost of administration and the degree to which the goals of the program are met.

Commission officials, as in the prior examination, attributed these issues to competing priorities.

Inaccurate reporting of fees by the Commission reduces the reliability of the Statewide Fee Imposition Report submitted to the General Assembly, lessens governmental oversight, and represents noncompliance with SAMS. (Finding Code No. 2019-008, 2017-004)

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-008. **FINDING** (Inadequate Controls over Agency Fee Imposition Reports) –
Continued

RECOMMENDATION

We recommend the Commission strengthen its controls and procedures to submit accurate Reports to the Comptroller. Additionally, we recommend the Commission retain copies of the Reports submitted.

COMMISSION RESPONSE

The Commission will review and implement internal controls to reconcile the receipt ledgers with the Office of the Comptroller.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-009. **FINDING** (Inadequate Controls over Personal Services)

The Deaf and Hard of Hearing Commission (Commission) did not maintain adequate controls over its personnel services functions.

During testing of personnel files for four employees, we noted the following:

- Three (75%) employees did not have a properly completed Employment Eligibility Verification Form (Form I-9) located in the personnel file.

Title 8 of the Code of Federal Regulations Section 274a.2 (U.S. Code) (8 CFR § 274.a.2) requires employers to ensure employees properly complete section one and the employer completes section two. Furthermore, employers are required to retain the Form I-9. If copies of documentation presented by the employee are made, those copies must also be retained. Employers must retain the Form I-9 and attachments for either three years after the date of hire or one year after the date employment ended, whichever is later.

- Three (75%) employees did not receive all required employee performance evaluations during the examination period.

The Illinois Administrative Code (80 Ill. Admin. Code 302.270) requires the Commission to prepare evaluations of each employee not less often than annually. In addition, the Commission's *Employee Handbook* requires employees serving a six month probationary period to be evaluated twice: one at the midpoint of the probationary period and one fifteen days prior to the conclusion of the probationary period. Employees serving a four month probationary period will be evaluated fifteen days prior to the conclusion of the probationary period. Subsequent evaluations take place every 12 months.

- For three (75%) employees, the Commission was unable to obtain employee benefit selections or deduction authorization forms. As a result, we were unable to ensure the employees' group health or life insurance costs were accurate and were unable to trace all deductions to properly signed authorization forms.

The State Records Act (5 ILCS 160/8) requires the Commission to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Commission designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Commission's activities.

In addition, 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

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-009. **FINDING** (Inadequate Controls over Personal Services) – Continued

administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law.

Commission officials indicated oversight and competing priorities attributed to the finding.

Failure to retain properly completed Form I-9s represents noncompliance with the U.S. Code. Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance expectations should serve as a foundation for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. Further, failure to maintain adequate controls over personnel records increases the risk that errors could occur which would cause inaccuracies in payroll. (Finding Code No. 2019-009)

RECOMMENDATION

We recommend the Commission strengthen its internal controls over personal services to ensure employee files contain properly completed Form I-9s, benefit selection forms, and deduction authorization forms and to ensure all required employee evaluations are administered.

COMMISSION RESPONSE

The Commission agrees and will review and improve internal controls to ensure personnel files are complete.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Two Years Ended June 30, 2019

2019-010. **FINDING** (Failure to Report Held Invoices to the State Comptroller)

The Deaf and Hard of Hearing Commission (Commission) did not comply with held invoice reporting requirements established by the State Finance Act (Act).

We noted the following:

- The Commission did not submit a report with the aggregate dollar amount of bills held by the Commission on June 30, 2017, to the Office of the State Comptroller (Comptroller).

Until January 1, 2018, the Act (30 ILCS 105/9.08(a)) required the Commission to annually report the aggregate dollar amount of bills held by the Commission on June 30 by October 1 to the Comptroller.

- The Commission did not submit 18 of 18 (100%) *Debt Transparency Act Reports* (Form SCO-961 or SCO-961A) to the Comptroller.

As amended, the Act (30 ILCS 105/9.08(a)), effective January 1, 2018, modified the requirement to be a monthly report from the Commission to the Comptroller identifying (1) total bills held by fund source, (2) whether appropriations exist for these obligations, and (3) an estimate of interest penalties due under the State Prompt Payment Act (30 ILCS 540) in the format prescribed by the Comptroller.

Commission officials indicated the issues noted were due to competing priorities.

Failure to report the aggregate dollar amount of bills held reduces governmental oversight and represents noncompliance with the State Finance Act. (Finding Code No. 2019-010)

RECOMMENDATION

We recommend the Commission strengthen its controls and procedures to ensure it complies with held invoice reporting requirements established by the State Finance Act.

COMMISSION RESPONSE

The Commission agrees and will review and develop internal controls to ensure timely reporting.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF FINDINGS – NOT REPEATED FINDINGS
For the Two Years Ended June 30, 2019

A. **FINDING** (Property Control Weaknesses)

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

During the current examination, we were unable to determine whether the Commission took corrective action due to the lack of documentation provided by the Commission. Exceptions regarding the lack of documentation provided are noted in Finding 2019-001. (Finding Code No. 2017-006)

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2019

(NOT EXAMINED)

For the Sixteen Months Ended October 31, 2019

	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31	Balances Lapsed
		Expenditures Through June 30	Expenditures July 1 to October 31		
Public Acts 100-0586 & 101-0007					
FISCAL YEAR 2019					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Operational Expenses	\$ 650,000	\$ 339,562	\$ 123,012	\$ 462,574	\$ 187,426
Unpaid Wage Increases	6,800	-	-	-	6,800
Total General Revenue Fund	<u>\$ 656,800</u>	<u>\$ 339,562</u>	<u>\$ 123,012</u>	<u>\$ 462,574</u>	<u>\$ 194,226</u>
<u>INTERPRETERS FOR THE DEAF FUND - 449</u>					
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 200,000	\$ 147,292	\$ 20,929	\$ 168,221	\$ 31,779
Total Interpreters for the Deaf Fund	<u>\$ 200,000</u>	<u>\$ 147,292</u>	<u>\$ 20,929</u>	<u>\$ 168,221</u>	<u>\$ 31,779</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 856,800</u>	<u>\$ 486,854</u>	<u>\$ 143,941</u>	<u>\$ 630,795</u>	<u>\$ 226,005</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2019

(NOT EXAMINED)

For the Sixteen Months Ended October 31, 2019

	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31	Balances Lapsed
		Expenditures Through June 30	Expenditures July 1 to October 31		
Public Acts 100-0586 & 101-0007					
FISCAL YEAR 2019					
<u>NON-APPROPRIATED FUNDS</u>					
<u>DEAF AND HARD OF HEARING SPECIAL PROJECTS</u>					
<u>FUND - 405</u>					
Special Projects		\$ 19,134	\$ 41,957	\$ 61,091	
Total Deaf and Hard of Hearing Special Projects Fund		<u>\$ 19,134</u>	<u>\$ 41,957</u>	<u>\$ 61,091</u>	
GRAND TOTAL - ALL FUNDS		<u>\$ 505,988</u>	<u>\$ 185,898</u>	<u>\$ 691,886</u>	

Note 1: Appropriations, expenditures, and lapsed balances were obtained from Commission records as of October 31, 2019, and were not able to be reconciled to the State Comptroller's records. See Finding 2019-003.

Note 2: Expenditure amounts are vouchers approved for payment by the Commission 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 2018

(NOT EXAMINED)

For the Sixteen Months Ended October 31, 2018

	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31	Balances Lapsed
		Expenditures Through June 30	Expenditures July 1 to October 31		
Public Acts 100-0021 & 100-0586					
FISCAL YEAR 2018					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Operational Expenses	\$ 611,990	\$ 357,871	\$ 123,680	\$ 481,551	\$ 130,439
Ordinary and Contingent Expenses	307,400	-	134,423	134,423	172,977
Total General Revenue Fund	<u>\$ 919,390</u>	<u>\$ 357,871</u>	<u>\$ 258,103</u>	<u>\$ 615,974</u>	<u>\$ 303,416</u>
<u>INTERPRETERS FOR THE DEAF FUND - 449</u>					
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 200,000	\$ 38,838	\$ 2,074	\$ 40,912	\$ 159,088
Total Interpreters for the Deaf Fund	<u>\$ 200,000</u>	<u>\$ 38,838</u>	<u>\$ 2,074</u>	<u>\$ 40,912</u>	<u>\$ 159,088</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 1,119,390</u>	<u>\$ 396,709</u>	<u>\$ 260,177</u>	<u>\$ 656,886</u>	<u>\$ 462,504</u>

STATE OF ILLINOIS
 DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Appropriations for Fiscal Year 2018

(NOT EXAMINED)

For the Sixteen Months Ended October 31, 2018

	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 16 Months Ended October 31	Balances Lapsed
		Expenditures Through June 30	Expenditures July 1 to October 31		
Public Acts 100-0021 & 100-0586					
FISCAL YEAR 2018		\$ 58,544	\$ 44,970	\$ 103,514	
		<u>\$ 58,544</u>	<u>\$ 44,970</u>	<u>\$ 103,514</u>	
		<u>\$ 455,253</u>	<u>\$ 305,147</u>	<u>\$ 760,400</u>	
GRAND TOTAL - ALL FUNDS					

NON-APPROPRIATED FUNDS

DEAF AND HARD OF HEARING SPECIAL PROJECTS

FUND - 405

Special Projects
 Total Deaf and Hard of Hearing Special Projects Fund

Note 1: Appropriations, expenditures, and lapsed balances were obtained from Commission records as of October 31, 2018, and have been reconciled to the State Comptroller's 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: 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 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 which were submitted against its Fiscal Year 2018 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,

(NOT EXAMINED)

	FISCAL YEAR		
	2019	2018	2017
	P.A. 100-0586 & P.A. 101-0007	P.A. 100-0021 & P.A. 100-0586	P.A. 99-0524 & Court-Ordered Expenditures
<u>APPROPRIATED FUNDS</u>			
General Revenue Fund - 001			
Appropriations (Net of Transfers)	\$ 656,800	\$ 919,390	
Expenditures			
Operational Expenses	\$ 462,574	\$ 481,551	\$ -
Ordinary and Contingent Expenses	-	134,423	-
Unpaid Wage Increases	-	-	-
Personal Services	-	-	384,443
Total Expenditures	\$ 462,574	\$ 615,974	\$ 384,443
Lapsed Balances	\$ 194,226	\$ 303,416	
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	\$ 168,221	\$ 40,912	\$ 63,788
Total Expenditures	\$ 168,221	\$ 40,912	\$ 63,788
Lapsed Balances	\$ 31,779	\$ 159,088	\$ 136,212
Budget Stabilization Fund - 686			
Appropriations (Net of Transfers)	\$ -	\$ -	\$ 30,000
Expenditures			
Ordinary and Contingent Expenses	\$ -	\$ -	\$ 29,177
Total Expenditures	\$ -	\$ -	\$ 29,177
Lapsed Balances	\$ -	\$ -	\$ 823

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,

(NOT EXAMINED)

	FISCAL YEAR		
	2019	2018	2017
	P.A. 100-0586 & P.A. 101-0007	P.A. 100-0021 & P.A. 100-0586	P.A. 99-0524 & Court-Ordered Expenditures
Total - Appropriated Funds			
Total Appropriation	\$ 856,800	\$ 1,119,390	\$ 230,000
Total Appropriated Expenditures	\$ 630,795	\$ 656,886	\$ 477,408
Lapsed Balances	\$ 226,005	\$ 462,504	\$ 137,035
Non-Appropriated Fund			
Deaf and Hard of Hearing Special Projects Fund - 405			
Special Projects	\$ 61,091	\$ 103,514	\$ -
Total Non-Appropriated Expenditures	\$ 61,091	\$ 103,514	\$ -
GRAND TOTAL - ALL FUNDS	\$ 691,886	\$ 760,400	\$ 477,408

- Note 1: Appropriations, expenditures, and lapsed balances for Fiscal Year 2019 were obtained from Commission records as of October 31, 2019, and were not able to be reconciled to the State Comptroller's records. See Finding 2019-003.
- Note 2: Appropriations, expenditures, and lapsed balances for Fiscal Year 2018 were obtained from Commission records as of October 31, 2018, and have been reconciled to the State Comptroller's records.
- Note 3: Expenditure amounts are vouchers approved for payment by the Commission and submitted to the State Comptroller for payment to the vendor.
- Note 4: 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 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 which were submitted against its Fiscal Year 2018 appropriations.

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

For the Fiscal Year Ended June 30,

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Deaf and Hard of Hearing Special Projects Fund - 405			
Illinois State Board of Education - Federal Grant	\$ 22,250	\$ 91,000	\$ 14,000
Total Cash Receipts per Commission	22,250	91,000	14,000
Less - In transit at End of Year	-	(41,000)	(14,000)
Plus - In transit at Beginning of Year	41,000	14,000	-
Total Cash Receipts per Comptroller	<u>\$ 63,250</u>	<u>\$ 64,000</u>	<u>\$ -</u>
Interpreters for the Deaf Fund - 449			
Administration and Enforcement of the Interpreter for the Deaf Licensure Act of 2007	\$ 163,222	\$ 176,623	\$ 157,824
Total Cash Receipts per Commission	163,222	176,623	157,824
Less - In transit at End of Year	-	(2,181)	(1,915)
Plus - In transit at Beginning of Year	2,181	1,915	1,305
Plus - Receipts not Recorded on Commission Records	-	-	3,187
Commission Adjustment	-	(210)	-
Total Cash Receipts per Comptroller	<u>\$ 165,403</u>	<u>\$ 176,147</u>	<u>\$ 160,401</u>
TOTAL RECEIPTS - ALL FUNDS PER COMMISSION	\$ 185,472	\$ 267,623	\$ 171,824
Less - In transit at End of Year	-	(43,181)	(15,915)
Plus - In transit at Beginning of Year	43,181	15,915	1,305
Plus - Receipts not Recorded on Commission Records	-	-	3,187
Commission Adjustment	-	(210)	-
TOTAL CASH RECEIPTS PER COMPTROLLER	<u>\$ 228,653</u>	<u>\$ 240,147</u>	<u>\$ 160,401</u>

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

	<u>Equipment</u>
Balance at July 1, 2017	\$ 118,738
Additions	-
Deletions	(377)
Net Transfers	<u>-</u>
Balance at June 30, 2018	<u><u>\$ 118,361</u></u>
Balance at July 1, 2018	\$ 118,361
Additions	1,248
Deletions	(57,560)
Net Transfers	<u>(11,715)</u>
Balance at June 30, 2019	<u><u>\$ 50,334</u></u>

Note: The above schedule has been derived from the *Agency Report of State Property* (Form C-15) reports submitted by the Commission to the Office of the State Comptroller. This schedule could not be reconciled to the Commission's property records. As a result, this schedule was not examined (see Finding 2019-001).

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
For the Two Years Ended June 30, 2019

(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 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 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,

STATE OF ILLINOIS
 DEAF AND HARD OF HEARING COMMISSION
COMMISSION FUNCTIONS AND PLANNING PROGRAM
 For the Two Years Ended June 30, 2019

(NOT EXAMINED)

- 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 holds office for four-year terms until their successor is appointed and qualified. No member may serve more than two consecutive terms.

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.

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

<u>Output Indicators</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Public inquiries addressed	15,774	13,317	11,373
Educational and informational materials distributed	23,472	7,040	20,188
Interpreter skill development	1,513	428	203
Interpreters licensed	811	683	724
Number of Illinois Board for Evaluation of Interpreters (IL-BEI) certification tests	167	340	282
Applications processed	1,078	1,118	1,025

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2019 AND 2018

General Revenue Fund (001)

Ordinary and Contingent Expenses

The decrease in expenditures is due to the Commission not receiving an appropriation for ordinary and contingent expenses during Fiscal Year 2019. The Commission paid for its operational costs out of the operational expenses appropriation line item.

Interpreters for the Deaf Fund (449)

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

The increase in expenditures was due to the filling of the Interpreter Coordinator position, which was vacant during Fiscal Year 2018. Payroll costs for this position are paid out of the Interpreters for the Deaf Fund.

Deaf and Hard of Hearing Special Projects Fund (405)

Special Projects

The decrease in expenditures is due to the Commission providing fewer presentations and trainings in Fiscal Year 2019 than in Fiscal Year 2018.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017

General Revenue Fund (001)

Operational Expenses

Due to the budget impasse, the Commission did not receive an appropriation for operational expenses during Fiscal Year 2017. During Fiscal Year 2018, the General Assembly passed Public Act 100-0021, which provided the Commission with appropriations for operational expenses.

Ordinary and Contingent Expenses

Due to the budget impasse, the Commission received an appropriation from the Budget Stabilization Fund (Fund 686) instead of the General Revenue Fund for ordinary and contingent expenses. During Fiscal Year 2018, the General Assembly passed Public Act 100-0586, which provided the Commission with supplementary appropriations from the General Revenue Fund for ordinary and contingent expenses.

Personal Services

The decrease in expenditures is due to the Commission not receiving appropriations for this line item during Fiscal Year 2018. During Fiscal Year 2018, personal services expenditures were paid from the operational expenses line item.

Interpreters 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 a decrease in expenditures related to rating Bureau of Evaluation of Interpreters (BEI) tests. These are expected to fluctuate between fiscal years.

Budget Stabilization Fund (686)

Ordinary and Contingent Expenses

Due to the budget impasse, the Commission received an appropriation from the Budget Stabilization Fund (Fund 686) instead of the General Revenue Fund for ordinary and contingent expenses. During Fiscal Year 2018, the General Assembly passed Public Act 100-0586, which provided the Commission with supplementary appropriations from the General Revenue Fund for ordinary and contingent expenses.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017 (continued)

Deaf and Hard of Hearing Special Projects Fund (405)

Special Projects

During Fiscal Year 2017, grant money was delayed and spending was extended until August 31, 2017, due to new Grant Accountability and Transparency Act (GATA) requirements. This resulted in no expenditures being incurred in the Fund during Fiscal Year 2017 and an increase in expenditures during Fiscal Year 2018.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2019 AND 2018

Deaf and Hard of Hearing Special Projects Fund - 405

Illinois State Board of Education – Federal Grants

The Commission receives monies in this fund from grant monies. Receipts in this fund are expected to fluctuate between fiscal years based on grants received.

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017

Deaf and Hard of Hearing Special Projects Fund - 405

Illinois State Board of Education – Federal Grants

The Commission receives monies in this fund from grant monies. Receipts in this fund are expected to fluctuate between fiscal years based on grants received. The increase 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 \$21,000 of Fiscal Year 2017 receipts in Fiscal Year 2018.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

FISCAL YEAR 2019

General Revenue Fund (001)

Operational Expenses

Two payroll vouchers were processed during the Lapse Period to pay out for overtime accrued during Fiscal Year 2019. Additionally, Lapse Period expenditures consisted of payments to internal service funds for rental of office space, telecommunications charges, and data center charges incurred during Fiscal Year 2019. The Commission holds these internal service fund invoices until the Lapse Period to ensure their appropriations are sufficient to pay all other vendor invoices. This matter is further described in Finding 2019-004.

Deaf and Hard of Hearing Special Projects Fund (405)

Special Projects

The significant Lapse Period spending is primarily due to a Commission-sponsored American Sign Language training event for educational interpreters in June 2019. The related invoice was not received and processed until the Lapse Period.

FISCAL YEAR 2018

General Revenue Fund (001)

Operational Expenses and Ordinary and Contingent Expenses

Lapse Period expenditures consisted of payments to internal service funds for rental of office space, telecommunications charges, and data center charges incurred during Fiscal Year 2018. The Commission holds these internal service fund invoices until the Lapse Period to ensure their appropriations are sufficient to pay all other vendor invoices. This matter is further described in Finding 2019-004.

Deaf and Hard of Hearing Special Projects Fund (405)

Special Projects

The significant Lapse Period spending is primarily due to Commission-sponsored online trainings provided during Fiscal Year 2018. The related invoices were not received and processed until the Lapse Period.

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
BUDGET IMPASSE DISCLOSURES
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

Payment of Prior Year Costs in Future Fiscal Years

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 payments of its prior period costs using Fiscal Year 2018 appropriations:

		FISCAL YEAR 2016 INVOICES	
		Paid from Fiscal Year 2018 Appropriations	
<u>Fund #</u>	<u>Fund Name</u>	<u>Number</u>	<u>Dollar Value</u>
001	General Revenue Fund	36	\$ 72,061
405	Deaf and Hard of Hearing Special Projects Fund	-	-
449	Interpreters for the Deaf Fund	-	-
		36	\$ 72,061

		FISCAL YEAR 2017 INVOICES	
		Paid from Fiscal Year 2018 Appropriations	
<u>Fund #</u>	<u>Fund Name</u>	<u>Number</u>	<u>Dollar Value</u>
001	General Revenue Fund	231	\$ 88,299
405	Deaf and Hard of Hearing Special Projects Fund	4	9,017
449	Interpreters for the Deaf Fund	14	1,630
		249	\$ 98,946

STATE OF ILLINOIS
DEAF AND HARD OF HEARING COMMISSION
AVERAGE NUMBER OF EMPLOYEES
For the Two Years Ended June 30, 2019

(NOT EXAMINED)

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Director	0	0	1
Interim Director	1	1	0
Assistant Director	0	1	1
Personnel Manager	0	0	1
Legal Counsel	0	0	1
Program Coordinator	1	0	1
Interpreter Coordinator	1	0	0
Office Assistant	1	1	0
Total average full-time employees	<u>4</u>	<u>3</u>	<u>5</u>