



STATE OF ILLINOIS  
**OFFICE OF THE  
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

**SUMMARY REPORT DIGEST**

**JOINT COMMITTEE ON ADMINISTRATIVE RULES**

Compliance Examination  
 For the Two Years Ended June 30, 2018

Release Date: October 9, 2019

FINDINGS THIS AUDIT: 2				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
<b>Category 1:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>No Repeat Findings</b>			
<b>Category 2:</b>	2	0	2				
<b>Category 3:</b>	<u>0</u>	<u>0</u>	<u>0</u>				
<b>TOTAL</b>	2	0	2				
<b>FINDINGS LAST AUDIT: 0</b>							

**SYNOPSIS**

- (18-01) The Committee did not exercise adequate control over voucher processing.
- (18-02) The Committee did not exercise adequate control over its State property and equipment.

**Category 1:** Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

**Category 2:** Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

**Category 3:** Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

**JOINT COMMITTEE ON ADMINISTRATIVE RULES  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018**

<b>EXPENDITURE STATISTICS</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Total Expenditures.....</b>	<b>\$ 933,599</b>	<b>\$ 888,212</b>	<b>\$ 991,610</b>
<b>OPERATIONS TOTAL.....</b>	<b>\$ 933,599</b>	<b>\$ 888,212</b>	<b>\$ 991,610</b>
% of Total Expenditures.....	100.0%	100.0%	100.0%
Personal Services.....	800,616	750,735	852,150
Other Payroll Costs (FICA, Retirement).....	89,200	83,963	93,878
All Other Operating Expenditures.....	43,783	53,514	45,582
<b>Total Receipts.....</b>	<b>\$ 16,015</b>	<b>\$ 32,000</b>	<b>\$ 16,283</b>
<b>Average Number of Employees.....</b>	<b>13</b>	<b>13</b>	<b>17</b>

<b>EXECUTIVE DIRECTOR</b>
During Examination Period: Ms. Vicki Thomas
Currently: Ms. Vicki Thomas

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**VOUCHER PROCESSING WEAKNESSES**

The Joint Committee on Administrative Rules (Committee) did not exercise adequate control over voucher processing.

Non-Payroll Vouchers

During testing of 40 non-payroll vouchers, we noted the following:

- |  |   |
|--|---|
| <b>Vouchers not date stamped</b>   | <ul style="list-style-type: none"><li>• Five (13%) vouchers tested, totaling \$2,683, were not date stamped when received by the Committee. As such, we were not able to determine if the vouchers were approved timely or if interest was due on the invoices and properly paid.</li></ul>   |
| <b>Equipment not recorded or reported to the Department of Central Management Services</b> | <ul style="list-style-type: none"><li>• One (3%) voucher tested, totaling \$1,922, did not have the related equipment recorded on the Committee's property listing and thus was not reported to the Department of Central Management Services on the annual inventory certification report.</li></ul>   |
| <b>Incorrect detail object code</b>  | <ul style="list-style-type: none"><li>• One (3%) voucher tested, totaling \$758, did not utilize the correct detail object code.</li><li>• During testing of 15 travel vouchers, we noted the following:<ul style="list-style-type: none"><li>○ Seven (47%) vouchers tested, totaling \$3,239, had hotel rates reimbursed that were higher than the State rate, but did not document that at least three hotels were contacted before the higher rate was paid.</li></ul></li></ul> |
| <b>Excessive mileage paid totaling \$137</b>   | <ul style="list-style-type: none"><li>○ One (7%) voucher tested, totaling \$186, contained excessive mileage, which resulted in an overpayment of \$137 to the traveler.</li></ul>  |
| <b>Non-business expense paid for \$17</b>  | <ul style="list-style-type: none"><li>○ One (7%) vouchers tested, totaling \$241, contained a non-business related item, totaling \$17, that was reimbursed to the traveler.</li></ul>  |

Interest

- |   |  |
|---|--|
| <b>\$2,446 of interest due not paid</b> | <ul style="list-style-type: none"><li>• Fiscal Year 2017 prompt payment interest, totaling \$2,446, was not paid by the Committee. (Finding 1, pages 9-12)</li></ul> |
|---|--|

We recommended the Committee strengthen controls over voucher processing to ensure date of receipt is properly documented, purchases of equipment are properly recorded on property and equipment records, accurate detail object codes are utilized, travel vouchers are properly completed, and interest is paid in accordance with the State Prompt Payment Act. Further, we recommended the Committee seek reimbursement for the identified overpayments.

**Committee officials accepted our recommendations**

Committee officials accepted our recommendation and indicated corrective action has been or will be taken to address the conditions noted.

**PROPERTY CONTROL WEAKNESSES**

The Committee did not exercise adequate control over its State property and equipment.

During testing of 120 equipment items, we noted the following:

**Items located in a different location than reported on the property listing**

- 27 (23%) items, totaling \$5,556, were located in a different geographical location than reported on the Committee's property listing.
- Two (2%) items, totaling \$308, did not have a location listed on the Committee's property listing.

**Items could not be located**

- Five of 120 (4%) items, totaling \$1,347, could not be located. (Finding 2, pages 13-14)

We recommended the Committee take action to strengthen its controls over the recording and reporting of its State property and equipment to provide assurance the Committee is in compliance with applicable State laws and regulations.

**Committee officials accepted our recommendation**

Committee officials accepted our recommendation and indicated corrective action has been or will be taken to address the conditions noted.

**ACCOUNTANT'S OPINION**

The accountants conducted a compliance examination of the Committee for the two years ended June 30, 2018, as required by the Illinois State Auditing Act. The accountants stated the Committee complied, in all material respects, with the requirements described in the report.

This compliance examination was conducted by the Office of the Auditor General's staff.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK  
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

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FRANK J. MAUTINO  
Auditor General

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