
REPORT DIGEST

DEAF AND HARD OF HEARING COMMISSION

COMPLIANCE EXAMINATION

For the Two Years Ended:
June 30, 2009

Summary of Findings:

Total this audit: 3
Total last audit: 1
Repeated from last audit: 1

Release Date:
April 13, 2010



State of Illinois
Office of the Auditor General
WILLIAM G. HOLLAND
AUDITOR GENERAL

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SYNOPSIS

- The Commission did not maintain sufficient controls over the recording and reporting of its State property.

{Expenditures and Activity Measures are summarized on the reverse page.}

DEAF AND HARD OF HEARING COMMISSION
COMPLIANCE EXAMINATION
For The Two Years Ended June 30, 2009

EXPENDITURE STATISTICS	FY 2009	FY 2008	FY 2007
Total Expenditures (All Funds).....	\$816,375	\$704,673	\$641,018
Personal Services	\$430,697	\$332,050	\$368,859
% of Total Expenditures	52.8%	47.1%	57.6%
Average No. of Employees	7	7	7
Other Payroll Costs (FICA, Retirement)	\$122,291	\$81,105	\$69,836
% of Total Expenditures	15.0%	11.5%	10.9%
Contractual Services	\$104,453	\$94,258	\$84,850
% of Total Expenditures	12.8%	13.4%	13.2%
Lump Sums.....	\$28,789	\$111,977	\$29,774
% of Total Expenditures.....	3.5%	15.9%	4.6%
All Other Operations Items.....	\$130,145	\$85,283	\$87,699
% of Total Expenditures	15.9%	12.1%	13.7%
Cost of Property and Equipment.....	\$149,064	\$153,674	\$212,656

SELECTED ACTIVITY MEASURES (Not Examined)	FY 2009	FY 2008	FY 2007
Public inquiries addressed	15,000	17,000	12,500
Materials distributed	5,000	5,000	10,500
Promotional items distributed	5,000	5,000	13,500
Library materials loaned	200	200	350
Interpreter Registry	1,000	1,000	950
Workshops presented	70	60	67

AGENCY DIRECTOR
During Examination Period: John Miller, Director Currently: John Miller, Director

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

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:

Inadequate controls over recording and reporting of State property

- Four of 8 (50%) Quarterly Reports of State Property (C-15s) submitted to the Office of the Comptroller (IOC) during FY08 and FY09 did not agree to the Commission's property records in the Common Inventory System.

Equipment totaling \$4,585 never recorded on Commission's property listing or C-15s

- Property and equipment expenditures, totaling \$4,585, during the FY07 lapse period were never recorded on the Commission's property listing or the C-15s submitted to the IOC.
- The Commission filed its FY08 Annual Real Property Utilization Report 26 days late.
- The Commission did not accurately report the cost of equipment items on its property records. We noted shipping and handling charges were not included and one item was reduced by a trade-in allowance.
- One equipment item was not recorded at the proper amount and two library books were not recorded on the Commission's property records. In addition, one item was reported with an improper location code.
- The Commission did not timely record 15 of 49 (31%) equipment items tested, totaling \$10,747, on its property records. The items were recorded from 33 to 414 days late.

Equipment items added from 33 to 414 days late.

We recommended the Commission strengthen controls over the recording and reporting of its State property. Specifically, the Commission should ensure equipment is

recorded at its proper cost and is added to inventory records in a timely manner. In addition, we recommended the Commission thoroughly review all reports prepared from internal records for accuracy before submission to the IOC. Lastly, we recommended the Commission file the Annual Real Property Utilization Report by October 30 of each year. (Finding 1, pages 9-11)

**Commission
management agreed**

Commission personnel agreed with our recommendation and stated they will review internal controls to improve accuracy and timeliness of reporting of property control records and will work with the Illinois Office of the Comptroller to correct any reporting errors.

OTHER FINDINGS

The other report findings pertaining to untimely filing of Fiscal Control and Internal Auditing Act certifications and inadequate segregation of duties are reportedly being given attention by Commission management. We will review progress toward implementation of our recommendation during our next examination

AUDITORS' OPINION

We conducted a compliance examination of the Commission as required by the Illinois State Auditing Act. We have not audited any financial statements of the Commission for the purpose of expressing an opinion because the Commission does not, nor is it required to, prepare financial statements.

WILLIAM G. HOLLAND, Auditor General

WGH:JSC:pp

AUDITORS ASSIGNED

This examination was performed by staff of the Office of the Auditor General.