



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

William G. Holland, Auditor General

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**SUMMARY REPORT DIGEST**

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**DEAF AND HARD OF HEARING COMMISSION**

**COMPLIANCE EXAMINATION**

**For the Two Years Ended: June 30, 2011**

**Release Date: December 21, 2011**

**Summary of Findings:**

<b>Total this audit:</b>	<b>2</b>
<b>Total last audit:</b>	<b>3</b>
<b>Repeated from last audit:</b>	<b>1</b>

**SYNOPSIS**

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

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

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**PROPERTY CONTROL WEAKNESSES**

**Lack of controls over property**                      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:

**Reports did not reconcile**

- The Commission’s property and equipment expenditures processed by the Office of the Comptroller (Comptroller) did not reconcile to additions recorded on the Quarterly C-15 reports. Property and equipment expenditures totaling \$2,148 and shipping and installation charges of \$114 were never recorded on the Commission’s property listing or the C-15’s submitted to the Comptroller.

**Equipment not added or removed timely**

- The Commission did not timely add and remove equipment from its property records.

**Report not filed**

- The Commission filed the Fiscal Year 2010 Annual Real Property Utilization Report 326 days late. (Finding 1, pages 8-9)

We recommended the Commission strengthen controls over the recording and reporting of its State property by ensuring equipment is recorded at its proper cost and is added to inventory records in a timely manner. We also recommended the Commission thoroughly review reports prepared from internal records for accuracy before submission to the Comptroller and submit its Annual Real Property Utilization Report timely.

**Commission agreed with auditors**                      Commission management accepted the finding and recommendation and stated they will review their controls to ensure equipment is properly and timely recorded and all required reports are submitted timely.

**INADEQUATE CONTROLS OVER CONTRACTUAL SERVICES EXPENDITURES**

The Commission did not maintain adequate controls over its contractual services expenditures.

**Contract exceeding \$10,000 not filed with Comptroller**

The Commission entered into a contract with a vendor to provide catering services for the Commission’s annual conference which exceeded \$10,000. However, the Commission did not file the contract with the Office of the Comptroller (Comptroller) and did not prepare and submit a Contract Obligation Document (COD) with the Comptroller which is used to obligate the funds for the contract. The

Commission then attempted to submit a voucher totaling \$10,524.82 to the Comptroller for payment. When the Comptroller subsequently rejected the voucher for payment because no COD was on file, the Commission submitted two vouchers for \$5,262.41 to the Comptroller for payment resulting in the stringing of payments to avoid the COD filing requirement. (Finding 2, page 10)

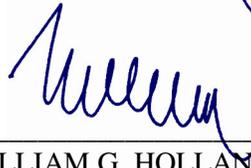
We recommended the Commission ensure contracts exceeding \$10,000 are filed with the Comptroller within 15 days of execution and proper documentation to obligate funds is submitted to the Comptroller prior to submitting the vouchers for payment.

**Commission agreed with auditors**

Commission management accepted the finding and recommendation and stated they have implemented controls to ensure compliance in the future.

**AUDITORS' OPINION**

We conducted a compliance examination of the Commission as required by the Illinois State Auditing Act. The Commission has no funds that require an audit leading to an opinion of financial statements.

A handwritten signature in blue ink, appearing to read "William G. Holland", is written over a horizontal line. A blue arrow points from the signature towards the text "The Commission has no funds that require an audit leading to an opinion of financial statements." above it.

WILLIAM G. HOLLAND  
Auditor General

WGH:JSC

**AUDITORS ASSIGNED**

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