

**STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2012

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
 COMPLIANCE EXAMINATION  
 For the Two Years Ended June 30, 2012

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**AGENCY OFFICIALS**

**JOINT COMMITTEE ON ADMINISTRATIVE RULES**

Director	Ms. Vicki Thomas
Deputy Director (2/16/12 to present)	Ms. Mary Craig
Deputy Director (7/01/10 to 12/31/11)	Ms. Claire Eberle
Office Manager	Ms. Rita Messinger

Agency offices are located at:

700 Stratton Office Building  
Springfield, IL 62706

**JOINT COMMITTEE ON ADMINISTRATIVE RULES**  
ILLINOIS GENERAL ASSEMBLY

CO-CHAIR:  
SEN. MAGGIE CROTTY

CO-CHAIR:  
REP. ANGELO "SKIP" SAVIANO

EXECUTIVE DIRECTOR:  
VICKI THOMAS



700 STRATTON BUILDING  
SPRINGFIELD, ILLINOIS 62706  
217/785-2254

October 18, 2012

SEN. PAMELA ALTHOFF  
SEN. DON HARMON  
SEN. JOHN O. JONES  
SEN. DALE RIGHTER  
SEN. IRA SILVERSTEIN  
REP. GREGORY HARRIS  
REP. LOU LANG  
REP. DONALD MOFFITT  
REP. ROSEMARY MULLIGAN  
REP. ANDRÉ THAPEDI

Honorable William G. Holland  
Auditor General  
State of Illinois  
Hes Park Plaza  
740 East Ash  
Springfield, IL 62703-3154

Dear Mr. Holland:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Joint Committee on Administrative Rules. 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 Joint Committee on Administrative Rules' compliance with the following assertions during the two-year period ended June 30, 2012. Based on this evaluation, we assert that during the years ended June 30, 2012 and June 30, 2011, the Joint Committee on Administrative Rules has materially complied with the assertions below.

- A. The Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the Joint Committee on Administrative Rules 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. The money or negotiable securities or similar assets handled by the Joint Committee on Administrative Rules on behalf of the State or held in trust by the Joint Committee on Administrative Rules have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Joint Committee on Administrative Rules



Vicki Thomas, Executive Director



Rita Messinger, Office Manager

**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.

**ACCOUNTANTS' REPORT**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current</u>	<u>Prior</u>
Findings	2	1
Repeated findings	1	1
Prior recommendations implemented or not repeated	0	0

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
12-1	9	Property control and reporting weaknesses	Noncompliance and Significant Deficiency
12-2	11	Failure to comply with the Identity Protection Act	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

All prior year findings have been repeated.

## **EXIT CONFERENCE**

The Joint Committee on Administrative Rules waived an exit conference in correspondence dated October 18, 2012. Responses to the findings were provided by the Executive Director in correspondence dated October 17, 2012.



OFFICE OF THE AUDITOR GENERAL  
WILLIAM G. HOLLAND

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

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have examined the State of Illinois Joint Committee on Administrative Rules' 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, 2012. The management of the State of Illinois Joint Committee on Administrative Rules is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Joint Committee on Administrative Rules' compliance based on our examination.

- A. The State of Illinois Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules on behalf of the State or held in trust by the State of Illinois Joint Committee on Administrative Rules 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; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Joint Committee on Administrative Rules' compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Joint Committee on Administrative Rules' compliance with specified requirements.

In our opinion, the State of Illinois Joint Committee on Administrative Rules complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2012. 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 12-1 and 12-2.

### **Internal Control**

Management of the State of Illinois Joint Committee on Administrative Rules 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 Joint Committee on Administrative Rules' internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois Joint Committee on Administrative Rules' internal control over compliance.

*A deficiency in an entity's 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 an entity's 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as items 12-1 and 12-2. A *significant deficiency in an entity's 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.

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

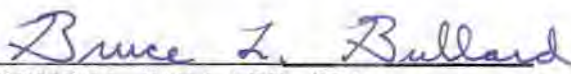
The State of Illinois Joint Committee on Administrative Rules' responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois Joint Committee on Administrative Rules' responses and, accordingly, we express no opinion on the responses.

#### **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, 2012 and June 30, 2011 in Schedules 1 through 9 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, 2012 and June 30, 2011 accompanying supplementary information in Schedules 1 through 9. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedules 1 through 9 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and agency management and is not intended to be and should not be used by anyone other than these specified parties.

  
BRUCE L. BULLARD, CPA  
Director of Financial and Compliance Audits

October 18, 2012

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-1. **FINDING** (Property control and reporting weaknesses)

The Joint Committee on Administrative Rules (JCAR) did not exercise adequate control over the recording and reporting of its property and equipment. During our testing, we noted the following:

- One of two (50%) Annual Real Property Utilization reports due during the examination period was not filed with the Illinois Department of Central Management Services. The State Property Control Act (30 ILCS 605/7.1(b)) requires agencies to submit an Annual Real Property Utilization Report by July 31 of each year.
- Three equipment items, totaling \$546, were recorded with incorrect voucher numbers and purchase dates on JCAR's property records. The State Property Control Act (30 ILCS 605/6.03) requires agencies to maintain adequate and proper identification of items listed on the property records.
- Four equipment additions, totaling \$666, were not added to the property records within 30 days of acquisition. The items were added to JCAR's property records between 17 and 89 days late. In addition, one equipment item, totaling \$120, was not recorded on JCAR's property records as of the time of our testing. The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items.
- Two of 10 (20%) equipment deletions tested, totaling \$5,278 were not deleted from JCAR's property records within 30 days of deletion. These items were deleted between 74 and 96 days late. The Illinois Administrative Code (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items.
- Seven equipment additions, totaling \$837, were recorded for an incorrect amount on JCAR's property records, resulting in an understatement of \$4.
- JCAR was not able to locate all property. During testing, we noted two of 40 (5%) items, totaling \$331 that we were unable to locate or the item did not have the required property tag number on the item. The State Property Control Act (30 ILCS 605/4) requires agencies to be accountable for the supervision, control and inventory of all property under their jurisdiction. The State Property Control Act (30 ILCS 605/6.02) also requires agencies to maintain a permanent record of all items of property under their jurisdiction and control.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

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

JCAR personnel stated deficiencies were caused by oversight. In addition, a change in property control maintenance personnel during the examination period may have resulted in additional property record errors.

Failure to maintain accurate property control records increases the likelihood of inaccurate inventory records and the potential for fraud and possible loss or theft of State property. In addition, inaccurate property reporting reduces the reliability of Statewide property information. (Finding Code No. 12-1, 10-1, 08-1, 06-2)

In addition, during the prior period, we noted JCAR's Quarterly Reports of State Property (C-15's) prepared by JCAR and submitted to the State Comptroller's Office were overstated by \$4,107. During the current period, the C-15's prepared by JCAR were adjusted to correct the prior period overstatement.

**RECOMMENDATION**

We recommend JCAR strengthen internal controls over equipment and ensure all equipment items are accurately and timely recorded on JCAR's property records. In addition, we recommend JCAR file an Annual Real Property Utilization report by July 31 of each year.

**AGENCY RESPONSE**

JCAR agrees with the finding and will strive to complete reports on time in the future and ensure that all property is timely recorded.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2012

12-2. **FINDING** (Failure to comply with the Identity Protection Act)

The Joint Committee on Administrative Rules (JCAR) failed to implement the provisions of the Identity Protection Act (Act).

The Identity Protection Act (5 ILCS 179) required JCAR to draft and approve an identity-protection policy by June 1, 2011. Per the Act, the Policy must:

- Identify the Act.
- Require all employees identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers.
- Direct that only employees who are required to use or handle information or documents that contain social security numbers have access to such information or documents.
- Require that social security numbers requested from an individual be placed in a manner that makes the social security number easily redacted if required to be released as part of a public records request.
- Require that, when collecting a social security number or upon request by the individual, a statement of the purpose or purposes for which the agency is collecting and using the social security number be provided.

During our testing we noted JCAR had not issued an identity-protection policy.

JCAR personnel stated they were not aware of the requirement to have a policy.

Failure to implement provisions of the Act results in noncompliance, does not promote the security and control of social security numbers, and increases the likelihood of identity theft. (Finding Code No. 12-2)

**RECOMMENDATION**

We recommend JCAR develop and approve an identity protection policy as required in the Identity Protection Act.

**AGENCY RESPONSE**

An Identity Protection Policy was developed and approved on September 6, 2012.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2012

All findings for the two years ended June 30, 2010 have been repeated in the current engagement.

## **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
  - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Schedule of Changes in State Property
  - Comparative Schedule of Cash Receipts
  - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
  - Analysis of Significant Variations in Expenditures
  - Analysis of Significant Variations in Receipts
  - Analysis of Significant Lapse Period Spending
  
- Analysis of Operations (Not Examined):
  - Agency Functions and Planning Program (Not Examined)
  - Average Number of Employees (Not Examined)
  - Interagency Agreement (Not Examined)
  - Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2012 and June 30, 2011 in Schedules 1 through 9. However, the accountants do not express an opinion on the supplementary information. The accountants' 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  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 Appropriations For Fiscal Year 2012

Fourteen Months Ended August 31, 2012

P.A. 97-0056 P.A. 97-0642 FISCAL YEAR 2012	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures	Approximate Balances Lapsed
<b>General Revenue Fund - 001</b>					
Personal Services	\$ 862,000	\$ 809,475	\$ 0	\$ 809,475	\$ 52,525
Employee Retirement	0				
Contributions Paid by Employer	33,000	31,063	0	31,063	1,937
State Contributions to Social Security	63,000	59,268	0	59,268	3,732
Contractual Services	25,900	8,146	111	8,257	17,643
Travel	15,000	12,058	0	12,058	2,942
Commodities	15,000	8,772	167	8,939	6,061
Equipment	20,000	15,602	3,899	19,501	499
Telecommunications	6,300	5,818	477	6,295	5
Interest Penalty Prompt Pay	500	0	0	0	500
<b>Total General Revenue Fund</b>	<b>\$ 1,040,700</b>	<b>\$ 950,202</b>	<b>\$ 4,654</b>	<b>\$ 954,856</b>	<b>\$ 85,844</b>

Note 1: Appropriations, expenditures and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

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

Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.



STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES**  
 Appropriations for Fiscal Year 2011

Fourteen Months Ended August 31, 2011

P.A. 96-0956 FISCAL YEAR 2011	Appropriations (Net of Transfers)	Expenditures Through June 30	Approximate Lapse Period Expenditures July 1 to August 31	Approximate Total Expenditures	Approximate Balances Lapsed
<b>General Revenue Fund - 001</b>					
Operational Expenses	\$ 1,040,700	\$ 971,025	\$ 1,777	\$ 972,802	\$ 67,898
<b>Total General Revenue Fund</b>	<b>\$ 1,040,700</b>	<b>\$ 971,025</b>	<b>\$ 1,777</b>	<b>\$ 972,802</b>	<b>\$ 67,898</b>

Note 1: Appropriations, expenditures and lapsed balances were obtained from Agency records and have been reconciled to records of the State Comptroller.

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

Note 3: Approximate lapse period expenditures do not include interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
 COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
 AND LAPSED BALANCES

	FISCAL YEAR		
	2012	2011	2010
	P.A. 97-0056 P.A. 97-0642	P.A. 96-0956	P.A. 96-0042
<b><u>APPROPRIATED FUNDS</u></b>			
<b>General Revenue Fund - 001</b>			
Appropriations (Net of Transfers)	\$ 1,040,700	\$ 1,040,700	\$ 1,040,700
<u>Expenditures</u>			
Personal Services	\$ 809,475	\$ 0	\$ 812,096
Employee Retirement			
Contributions Paid by Employer	31,063	0	0
State Contributions to Social Security	59,268	0	59,553
Contractual Services	8,257	0	0
Travel	12,058	0	0
Commodities	8,939	0	0
Equipment	19,501	0	0
Telecommunications	6,295	0	0
Interest Penalty Prompt Pay	0	0	0
Operational Expenses	0	972,802	138,453
Total Expenditures	<u>\$ 954,856</u>	<u>\$ 972,802</u>	<u>\$ 1,010,102</u>
<u>Lapsed Balances</u>	<u>\$ 85,844</u>	<u>\$ 67,898</u>	<u>\$ 30,598</u>

Note 1: The FY12 and FY11 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
 For the Two Years Ended June 30, 2012

	<u>Equipment</u>
Balance at July 1, 2010	\$ 113,612
Additions	0
Deletions	(524)
Net Transfers	<u>0</u>
Balance at June 30, 2011	<u><u>\$ 113,088</u></u>
Balance at July 1, 2011	\$ 113,088
Additions	955
Deletions	0
Net Transfers	<u>(10,102)</u>
Balance at June 30, 2012	<u><u>\$ 103,941</u></u>

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS**  
 For the Fiscal Years Ended June 30,

<b><u>General Revenue Fund - 001</u></b>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Copy Charges	\$ 112	\$ 74	\$ 471
Sales of Annual Reports	5	55	0
Jury Duty	0	0	15
Miscellaneous	<u>805</u>	<u>0</u>	<u>55</u>
 Total General Revenue Fund	 <u>\$ 922</u>	 <u>\$ 129</u>	 <u>\$ 541</u>
<b><u>General Assembly Computer Equipment Revolving Fund - 155</u></b>			
Sale of Database of the Admin. Code	<u>\$ 47,000</u>	<u>\$ 15,000</u>	<u>\$ 31,000</u>
 Total General Assembly Computer Equipment Revolving Fund	 <u>\$ 47,000</u>	 <u>\$ 15,000</u>	 <u>\$ 31,000</u>
<b>Total All Funds</b>	<u>\$ 47,922</u>	<u>\$ 15,129</u>	<u>\$ 31,541</u>

STATE OF ILLINOIS  
 JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**RECONCILIATION SCHEDULE OF CASH RECEIPTS  
 TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
 For the Fiscal Years Ended June 30,

<b><u>General Revenue Fund - 001</u></b>	<u>2012</u>	<u>2011</u>
Receipts per Committee Records	\$ 922	\$ 129
Add: Deposits in Transit, Beginning of Year	0	0
Less: Deposits in Transit, End of Year	<u>0</u>	<u>0</u>
Deposits Recorded by the Comptroller	<u><u>\$ 922</u></u>	<u><u>\$ 129</u></u>

**General Assembly Computer Equipment Revolving Fund - 155**

Receipts per Committee Records	\$ 47,000	\$ 15,000
Add: Deposits in Transit, Beginning of Year	0	0
Less: Deposits in Transit, End of Year	<u>0</u>	<u>0</u>
Deposits Recorded by the Comptroller	<u><u>\$ 47,000</u></u>	<u><u>\$ 15,000</u></u>

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2012

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2012 AND 2011**

Personal Services, Employee Retirement Contributions Paid by Employer, State Contributions to Social Security, Contractual Services, Travel, Commodities, Equipment, Telecommunications, Interest Penalty Prompt Pay

For Fiscal Year 2012, the appropriation process was changed for operating expenses that were paid from the General Revenue Fund. The Joint Committee on Administrative Rules received individual appropriations designated for specific purposes rather than a lump sum appropriation for operational expenses.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2010**

Operational Expenses

For Fiscal Year 2011, the appropriation process was changed for operating expenses that were paid from the General Revenue Fund. The Joint Committee on Administrative Rules received a lump sum appropriation for all operational expenses, including personal services, employee retirement contributions paid by employer and State contributions to social security.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Years Ended June 30, 2012

**General Revenue Fund - 001**

The Joint Committee on Administrative Rules (JCAR) receives minimal receipts. The receipts consist of copy charges, refunds, reimbursement for jury duty, and the sale of annual reports. These receipts are expected to fluctuate between fiscal years. Miscellaneous receipts consisted of a refund from the post office related to the JCAR's bulk mail account and reimbursement of overpayments of travel expenses.

**General Assembly Computer Equipment Revolving Fund – 155**

JCAR receives monies from the sale of megabytes of information for updates of the Administrative Code and the Illinois Register collected in the Legislative Information System database maintained by JCAR. These receipts are expected to fluctuate between fiscal years based on the number of organizations requiring updates and the amounts these organizations prepay.

STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2012

**FISCAL YEAR 2012**

Equipment

Equipment expenditures totaling \$3,899 during the lapse period were primarily due to the purchase of new office chairs and a microphone for the JCAR meetings. The related vouchers were not processed until the lapse period.

**FISCAL YEAR 2011**

There were no significant expenditures made during the lapse period.



STATE OF ILLINOIS  
JOINT COMMITTEE ON ADMINISTRATIVE RULES  
**ANALYSIS OF OPERATIONS**  
For the Two Years Ended June 30, 2012

**Functions and Planning Program (Not Examined)**

**Functions**

The Joint Committee on Administrative Rules (JCAR) was established in 1977 to ensure that the laws the Illinois General Assembly enacts are appropriately implemented through administrative law. The specific duties and authorities of JCAR are outlined in the Illinois Administrative Procedure Act (Act) (5 ILCS 100/5-5 et seq.), as is the Illinois rulemaking process.

The function of JCAR is the promotion of adequate and proper rules by agencies. In addition, JCAR is responsible for monitoring and investigating agencies' compliance with the provisions of the Act, making periodic investigations of the rulemaking activities of all agencies, and evaluating and reporting on all rules in terms of their propriety, legal adequacy, relation to the statutory authorization, economic and budgetary effects, and public policy.

**Committee Members**

The Committee is comprised of six senators and six representatives. The Committee convenes monthly in Chicago unless the General Assembly is in session. If the General Assembly is in session, the Committee convenes in Springfield.

The Committee members as of June 30, 2012, were as follows:

Senator Maggie Crotty	Co-Chairperson
Representative Angelo "Skip" Saviano	Co-Chairperson
Senator Pamela Althoff	Representative Greg Harris
Senator Don Harmon	Representative Lou Lang
Senator John O. Jones	Representative Don Moffitt
Senator Dale A. Righter	Representative Andre Thapedi
Senator Ira Silverstein	Representative Rosemary Mulligan

**Planning**

Operating programs of JCAR are specified by the Illinois Administrative Procedure Act (5 ILCS 100 et seq.).

JCAR does not have a formal planning and monitoring function. However, all agency objectives are clearly defined in statutes under the Administrative Procedure Act. JCAR's main priority is to review new rules and proposed changes to the Administrative Code. This is completed on a monthly basis and reported to the Committee members at their monthly meeting. The

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Committee reports its activities and accomplishments throughout the year in its Annual Report to the General Assembly.

JCAR's short-term goals continue to be centered upon reviewing every rulemaking that goes to 2<sup>nd</sup> Notice in a thorough and timely manner so that JCAR members have accurate information on which to base their rulemaking decisions at JCAR's monthly meetings. In addition, the following goals must be met:

- Provide agencies with accurate Code and Register versions of their rulemakings that may be filed with the Secretary of State for adoption and publication following consideration at a JCAR meeting;
- Prepare the *Illinois Register* for publication each week;
- Maintain the *Illinois Administrative Code* on the Legislative Information System database and update it weekly to reflect newly adopted rulemakings;
- Write and publish the *Flinn Report*, JCAR's weekly newsletter, to educate and inform the public concerning proposed and adopted rulemakings and the rulemaking process; and,
- Investigate in a timely manner any complaints concerning agency rulemaking that are brought to JCAR's attention.

JCAR's long-term goals include:

- Increasing the number of State agencies that voluntarily use JCAR-generated Register and Code materials for filing adopted rulemaking text with the Secretary of State (SOS);
- Working with the Legislative Information System to refine the programs used to create and maintain the *Illinois Register* and *Illinois Administrative Code* on the internet; and,
- Working with the Secretary of State Code Division within the Index Department to ensure the accuracy of the file books of adopted rules maintained by both JCAR and SOS.

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**Average Number of Employees (Not Examined)**

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

Division	<u>2012</u>	<u>2011</u>	<u>2010</u>
Executive Director	1	1	1
Rules Review Division			
Manager	1	1	1
Attorney	1	1	1
Analyst	4	4	4
Administrative Affairs Division			
Deputy Director	1	1	1
Administrative Staff	1	1	1
Support Division			
Staff Support			
Office Manager	1	1	1
Administrative Assistant	0	0	0
Word Processor/Receptionist	1	1	2
Administrative Code			
Manager	1	1	1
Input Operator	3	3	3
Total Average Full-Time Employees	<u>15</u>	<u>15</u>	<u>16</u>

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**Interagency Agreement (Not Examined)**

JCAR entered into an interagency agreement with the Legislative Information System (LIS) in March of 1994. The agreement outlined and defined the shared statutory responsibilities between LIS and JCAR for the maintenance of the electronically stored database of the Illinois Register and Illinois Administrative Code as defined in the Illinois Administrative Procedure Act (5 ILCS 100/5-80 and 135) and the Legislative Information System Act (25 ILCS 145/5.08). Effective January 26, 1994, PA 88-535 expanded access of the database to the public in general, and particularly print and electronic publishers, for the purpose of a more thorough dissemination. The interagency agreement charged JCAR with the responsibility to enter into agreements for responding to requests from the public for electronically stored copies of the database materials and assessing related fees.

Our examination procedures included tests to determine whether: 1) JCAR complied with the provisions set forth in the interagency agreement; 2) JCAR complied with the provisions set forth in the Administrative Code as it relates to the database; 3) revenues collected were in accordance with applicable laws and regulations; and 4) receipts were for the correct amount. JCAR complied with the Interagency Agreement and Illinois Administrative Code.

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**Service Efforts and Accomplishments (Not Examined)**

<u>Rulemaking Processes</u>	2012* <small>(up to 06/30/2012)</small>	<u>2011*</u>	<u>2010*</u>
Rules Proposed	285	514	499
Rules Considered	177	470	434
No Objections	159	413	402
Objections	5	20	12
Recommendations (including with objections)	9	16	14
Withdrawn by Agency	0	2	0
Prohibitions with Objections	3	5	5
Suspensions	0	1	0

\*All numbers are reported on a calendar year basis.