

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

For the Two Years Ended June 30, 2008

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2008

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AGENCY OFFICIALS

JOINT COMMITTEE ON ADMINISTRATIVE RULES

Director	Ms. Vicki Thomas
Deputy Director	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. BRENT HASSELT

EXECUTIVE DIRECTOR:
VICKI THOMAS



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

SEN. J. BRADLEY BURZYNSKI
SEN. JAMES CLAYBORNE, JR.
SEN. RANDALL HULTGREN
SEN. DAN RUTHERFORD
SEN. IRA SILVERSTEIN
REP. JOHN FRITCHEY
REP. LOU LANG
REP. DAVID R. LEITCH
REP. DAVID MILLER
REP. ROSEMARY MULLIGAN

MANAGEMENT ASSERTION LETTER

December 31, 2008

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

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 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 JCAR's compliance with the following assertions during the two-year period ended June 30, 2008. Based on this evaluation, we assert that during the years ended June 30, 2008 and June 30, 2007, JCAR 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

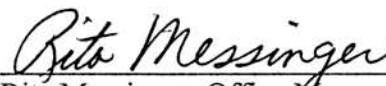
Administrative Rules have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Sincerely,

Joint Committee on Administrative Rules

A handwritten signature in cursive script that reads "Vicki Thomas". The signature is written in black ink and is positioned above a horizontal line.

Vicki Thomas, Executive Director

A handwritten signature in cursive script that reads "Rita Messinger". The signature is written in black ink and is positioned above a horizontal line.

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' REPORTS

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> Findings	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Repeated findings	1	3
Prior recommendations implemented or not repeated	1	1
	2	1

Details of findings are presented in the separately tabbed report section of this report.

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
08-1	8	Property control and reporting weaknesses	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

A	11	Noncompliance with Illinois Administrative Procedure Act
B	11	Travel Headquarter reports not filed

EXIT CONFERENCE

The Joint Committee on Administrative Rules waived an exit conference in correspondence dated December 29, 2008. Responses to the recommendations were provided by the Executive Director in a letter dated December 29, 2008.

SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:
MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

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, 2008. 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.

We conducted our examination 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, State of Illinois Joint Committee on Administrative Rules complied, in all material respects, with the requirements listed in the first paragraph of this report during the two years ended June 30, 2008. However, the results of our procedures disclosed other instances of noncompliance, 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 finding 08-1.

Internal Control

The 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 in order to determine 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 the State of Illinois Joint Committee on Administrative Rules' 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and other deficiencies that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider

the deficiencies in internal control over compliance described in the accompanying schedule of findings as item 08-1 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

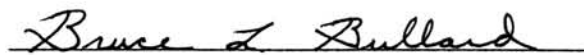
The State of Illinois Joint Committee on Administrative Rules' response to the findings identified in our examination is described in the accompanying schedule of findings. We did not examine the State of Illinois Joint Committee on Administrative Rules' response and, accordingly, we express no opinion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

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 as listed in the table of contents as Supplementary Information for State Compliance Purposes 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 2008 and 2007 Supplementary Information for State Compliance Purposes, except for information on the Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2006 Supplementary Information for State Compliance Purposes, and accordingly, we do not express an opinion thereon.

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

December 31, 2008

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

08-1. **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. We noted the following:

- One of eight (13%) Quarterly Reports of State Property (C-15's) prepared by JCAR and submitted to the State Comptroller's Office was overstated by \$5,089. One item was recorded and reported twice at a cost of \$5,195 on the C-15 and the Property Control Listing. Additionally, freight charges for that same item, totaling \$106, were not reflected in the recorded and reported cost on both the C-15 and the Property Control Listing.

Statewide Accounting Management System (SAMS) (Procedure 29.10.30) states the C-15 should present the total cost of State property, by category, reflected on the agency's records as of the reporting date. SAMS (Procedure 03.30.20) defines the basic cost of equipment as all of the costs necessary to acquire the asset and place it into service, including freight and handling charges.

- One of eight (13%) equipment vouchers tested, totaling \$235, was not included on JCAR's inventory records within 30 days of acquisition. JCAR added the equipment item once it was brought to their attention by the auditors.

The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items.

We tested 25 additions to property, totaling \$11,616, and noted the Property Control Listing did not accurately reflect the correct cost for 6 of 25 (24%) items tested. During the testing of these six items, we noted the following:

- For one of six (17%) items, the Property Control Listing reflected a cost of \$19; however, the supporting documentation reflected a cost of \$85, resulting in an understatement of \$66. While examining the supporting voucher for this item, we also noted eight additional items with a cost of \$85. The Property Control Listing also reflected a cost of \$19 for these additional items, resulting in a total understatement of \$585.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2008

- For two of six (33%) items, the Property Control Listing reflected a total cost of \$454; however, the supporting documentation reflected a cost of \$227, resulting in an overstatement of \$227. While examining the supporting documentation for these items, we also noted six additional items with a cost of \$101 to \$114. The Property Control Listing also reflected a cost of \$227 for these additional items, resulting in a total overstatement of \$856.
- For one of six (17%) items, the Property Control Listing did not accurately reflect the correct voucher number.
- For three of six (50%) items, freight and handling charges, totaling \$22, were not included in the cost listed on the Property Control Listing.

SAMS (Procedure 29.10.10) states the objective of fixed asset reporting is to ensure that agencies are updating property records to reflect the current balance of State property and to enhance the accuracy of the Statewide information reported by the agencies and the Comptroller. The Procedure also requires supporting detail records be maintained and organized by major asset category, including the cost (or other value) and a reference to the acquisition source document, including a voucher number. The Code (44 Ill. Adm. Code 5010.240 (e) (1)) defines the purchase price as the price of the equipment delivered and installed, including delivery and installation costs.

Committee personnel stated the above items were due to clerical errors.

Inaccurate reporting on the Quarterly Reports of State Property (C-15's) reduces the reliability of Statewide property information. In addition, failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property. (Finding Code No. 08-1 and 06-2.)

RECOMMENDATION

We recommend JCAR ensure all equipment is accurately and timely recorded in its property records, ensure freight and handling charges are included and ensure the Property Control Listing reflects the correct cost and voucher number. We also recommend JCAR thoroughly review all reports prepared from internal records for accuracy before submission to the State Comptroller.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2008

AGENCY RESPONSE

JCAR accepts the recommendation and staff will endeavor to be more timely and accurate in the future in the preparation of reports submitted to the State Comptroller.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2008

A. **FINDING** (Noncompliance with Illinois Administrative Procedure Act)

During the prior period, JCAR did not comply with all requirements of the Illinois Administrative Procedure Act (Act).

During the current period, JCAR did not evaluate the rules of each agency at least every 5 years. However they appeared to have implemented a process to address certain aspects of our prior finding. Thus the issue is reported in our letter of Immaterial Findings. (Finding Code 06-1, 04-1, 02-1, 00-1, 98-1, 96-1, 94-1, 92-1, 90-1 and 90-4, 88-1 and 88-2)

B. **FINDING** (Travel Headquarter reports not filed)

During the prior period, JCAR did not complete or file the Travel Headquarters (TA-2) reports with the Legislative Audit Commission (LAC) as required.

During the current period, JCAR submitted all reports with the LAC. (Finding Code 06-3)

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:

- Agency Functions and Planning Program
- Interagency Agreement
- Average Number of Employees
- 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, except for information on the Service Efforts and Accomplishments on which they did not perform any procedures. However, the accountants do not express an opinion on the supplementary information.

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2008

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
P.A. 95-0348						
FISCAL YEAR 2008						
<u>General Revenue Fund - 001</u>						
Personal Services	\$ 854,900	\$ 820,320	\$ 0	\$ 820,320	\$ 34,580	
Employee Retirement						
Contributions Paid by Employer	34,200	30,948	0	30,948	3,252	
State Contribution to State						
Employees' Retirement System	141,900	135,906	0	135,906	5,994	
State Contributions to Social Security	65,400	60,370	0	60,370	5,030	
Contractual Services	64,000	42,485	15,254	57,739	6,261	
Travel	24,000	13,330	66	13,396	10,604	
Commodities	14,800	10,131	681	10,812	3,988	
Equipment	27,000	10,094	5,999	16,093	10,907	
Telecommunications	11,000	5,170	458	5,628	5,372	
Total Fiscal Year 2008	\$ 1,237,200	\$ 1,128,754	\$ 22,458	\$ 1,151,212	\$ 85,988	

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

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 For the Fiscal Year Ended June 30, 2007

	Appropriations (Net of Transfers)	Expenditures Through June 30	Lapse Period		Total Expenditures 14 Months Ended August 31	Balances Lapsed August 31
			Expenditures July 1 to August 31	Expenditures August 31		
P.A. 94-0798						
FISCAL YEAR 2007						
General Revenue Fund - 001						
Personal Services	\$ 830,000	\$ 768,692	\$ 0	\$ 768,692	\$ 61,308	
Employee Retirement						
Contributions Paid by Employer	35,000	29,374	0	29,374	5,626	
State Contribution to State						
Employees' Retirement System	95,000	88,634	0	88,634	6,366	
State Contributions to Social Security	63,000	56,585	0	56,585	6,415	
Contractual Services	62,000	35,255	2,308	37,563	24,437	
Travel	22,000	19,744	0	19,744	2,256	
Commodities	12,300	9,256	2,463	11,719	581	
Equipment	27,000	17,737	5,332	23,069	3,931	
Telecommunications	11,000	5,849	851	6,700	4,300	
Total Fiscal Year 2007	\$ 1,157,300	\$ 1,031,126	\$ 10,954	\$ 1,042,080	\$ 115,220	

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

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND
 LAPSED BALANCES**
 For the Fiscal Years Ended June 30,

	Fiscal Year		
	2008	2007	2006
	P.A. 95-0348	P.A. 94-0798	P.A. 94-0015
General Revenue Fund - 001			
Appropriations (Net of Transfers)	<u>\$ 1,237,200</u>	<u>\$ 1,157,300</u>	<u>\$ 1,130,500</u>
<u>Expenditures</u>			
Personal Services	\$ 820,320	\$ 768,692	\$ 727,332
Employee Retirement			
Contributions Paid by Employer	30,948	29,374	28,510
State Contribution to State			
Employees' Retirement System	135,906	88,634	56,720
State Contributions to Social Security	60,370	56,585	53,537
Contractual Services	57,739	37,563	34,368
Travel	13,396	19,744	20,306
Commodities	10,812	11,719	10,621
Equipment	16,093	23,069	14,580
Telecommunications	5,628	6,700	6,321
Total Expenditures	<u>\$ 1,151,212</u>	<u>\$ 1,042,080</u>	<u>\$ 952,295</u>
Lapsed Balances	<u>\$ 85,988</u>	<u>\$ 115,220</u>	<u>\$ 178,205</u>

Note: JCAR did not make any efficiency initiative payments during Fiscal Year 2008 or Fiscal Year 2007.

STATE OF ILLINOIS
 JOINT COMMITTEE ON ADMINISTRATIVE RULES
SCHEDULE OF CHANGES IN STATE PROPERTY
 For the Two Years Ended June 30, 2008

	Equipment
Balance at July 1, 2006	\$ 116,960
Additions	11,087
Deletions	(1,501)
Net Transfers	(65,018)
Balance at June 30, 2007	\$ 61,528
Balance at July 1, 2007	\$ 61,528
Additions	1,400
Deletions	0
Net Transfers	0
Balance at June 30, 2008	\$ 62,928

Note: The above schedule has been derived from JCAR records which have been reconciled to property reports submitted to the Office of the Comptroller.

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

<u>General Revenue Fund - 001</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Copy Charges	\$ 35	\$ 80	\$ 28
Sales of Annual Report	19	14	28
Jury Duty	0	30	15
Miscellaneous	<u>0</u>	<u>64</u>	<u>0</u>
 Total General Revenue Fund	 <u>\$ 54</u>	 <u>\$ 188</u>	 <u>\$ 71</u>
 <u>General Assembly Computer Equipment Fund - 155</u>			
 Sale of Database of the Admin. Code	 <u>\$ 32,400</u>	 <u>\$ 31,600</u>	 <u>\$ 38,800</u>
 Total General Assembly Computer Equipment Fund	 <u>\$ 32,400</u>	 <u>\$ 31,600</u>	 <u>\$ 38,800</u>
 Total All Funds	 <u><u>\$ 32,454</u></u>	 <u><u>\$ 31,788</u></u>	 <u><u>\$ 38,871</u></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,

<u>General Revenue Fund - 001</u>	<u>2008</u>	<u>2007</u>
Receipts per JCAR Records	\$ 54	\$ 188
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 State Comptroller	<u><u>\$ 54</u></u>	<u><u>\$ 188</u></u>
<u>General Assembly Computer Equipment - 155</u>		
Receipts per JCAR Records	\$ 32,400	\$ 31,600
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 State Comptroller	<u><u>\$ 32,400</u></u>	<u><u>\$ 31,600</u></u>

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2008

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2008 AND 2007

State Contribution to State Employees' Retirement System

The increase in State's Contribution to State Employees' Retirement System expenditures was due to an increase in the budgeted retirement rate from 11.525% in Fiscal Year 2007 to 16.561% in Fiscal Year 2008.

Contractual Services

The increase in contractual services expenditures was due to the initiation of the Microfiche Conversion Project, which consists of converting microfiche films into a compact disc format.

Travel

The decrease in travel expenditures was due to the number of meetings held in Chicago decreasing from five during Fiscal Year 2007 to three during Fiscal Year 2008.

Equipment

The decrease in equipment expenditures was due to furniture and printer purchases made in the previous fiscal year.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2007 AND 2006

State Contribution to State Employees' Retirement System

The increase in State's Contribution to State Employees' Retirement System expenditures was due to an increase in the budgeted retirement rate from 7.792% in Fiscal Year 2006 to 11.525% in Fiscal Year 2007.

Equipment

The increase in equipment expenditures was due to the purchase of office furniture and a printer. This expenditure line also fluctuates due to varying needs of research materials for the reference library.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2008

General Revenue Fund – 001

The Joint Committee on Administrative Rules 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.

General Assembly Computer Equipment Fund – 155

The Joint Committee on Administrative Rules (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's database maintained by JCAR. These receipts are expected to fluctuate between fiscal years based on the number of organizations requesting updates and the amount these organizations prepay.

STATE OF ILLINOIS
JOINT COMMITTEE ON ADMINISTRATIVE RULES
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2008

FISCAL YEAR 2008

Contractual Services

Contractual services expenditures totaling \$15,254 during the lapse period were primarily due to the initiation of the Microfiche Conversion Project occurring late in the fiscal year. The related invoices were not processed until the lapse period.

FISCAL YEAR 2007

Equipment

Equipment expenditures totaling \$5,332 during the lapse period were primarily due to the purchase of office furniture and a printer late in the fiscal year. The related invoices were not processed until the lapse period.

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FUNCTIONS AND PLANNING PROGRAM

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, 2008, were as follows:

Senator Maggie Crotty	Co-Chairperson
Representative Brent Hassert	Co-Chairperson
Senator J. Bradley Burzynski	Representative John Fritchey
Senator James Clayborne, Jr.	Representative Lou Lang
Senator Randall Hultgren	Representative David Leitch
Senator Dan Rutherford	Representative David Miller
Senator Ira Silverstein	Representative Rosemary Mulligan

Planning

Operating programs of JCAR are specified by the Illinois Administrative Procedure Act (5 ILCS 100/5-5 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

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monthly basis and reported to the Committee members at their monthly meeting. The 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 2nd 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.

Interagency Agreement

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

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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.

Average Number of Employees

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

	2008	2007	2006
Division			
Executive Director	1	1	1
Rules Review Division			
Manager	1	1	1
Attorney	1	1	2
Analyst	4	4	5
Administrative Affairs Division			
Deputy Director	1	1	1
Administrative Staff	1	1	1
Support Division			
Staff Support			
Office Manager	1	1	1
Administrative Assistant	1	1	1
Word Processor/Receptionist	2	2	2
Administrative Code			
Manager	1	1	1
Input Operator	3	3	2
Total Average Full-Time Employees	17	17	18

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Service Efforts and Accomplishments (Not Examined)

<u>Rulemaking Processes</u>	2008* (as of 7/01/08)	<u>2007*</u>	<u>2006*</u>
Rules Proposed	273	390	470
Rules Considered	311	378	461
No Objections	288	359	384
Objections	3	17	25
Recommendations (including with objections)	4	13	22
Withdrawn by Agency	3	3	2
Prohibitions with objections	3	2	5
Suspensions	4	1	0

* All items are reported on a calendar year basis.