

SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH · 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222
TDD: 217/524-4646



CHICAGO OFFICE:
STATE OF ILLINOIS CENTER · SUITE 4-100
100 WEST RANDOLPH STREET · 60601
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

5-94-10800-20

REPORT DIGEST

**JOINT COMMITTEE ON ADMINISTRATIVE RULES
COMPLIANCE AUDIT
FOR THE TWO YEARS ENDED JUNE 30, 1994**

SYNOPSIS

- JCAR has not been able to evaluate the burden that State forms place on small businesses as required by law, nor has it found the resources to evaluate the administrative rules of each State agency every 5 years. This condition has existed since 1988.
- JCAR failed to report its findings, conclusions, and recommendations, including suggested legislation, to the General Assembly by February 1 of each fiscal year under audit.

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

INTERNET ADDRESS: AUDITOR.GENERAL@ACCESSIL.COM

RECYCLED PAPER · SOYBEAN INKS

**JOINT COMMITTEE ON ADMINISTRATIVE RULES
COMPLIANCE AUDIT
For The Two Years Ended June 30, 1994**

EXPENDITURE STATISTICS	FY 1994	FY 1993	FY 1992
● Total Expenditures (All Funds)	\$650,713	\$658,267	\$793,144
OPERATIONS TOTAL	\$650,713	\$658,267	\$793,144
% of Total Expenditures	100.00%	100.00%	100.00%
Personal Services	\$489,348	\$482,982	\$553,711
% of Operations Expenditures	75.20%	73.37%	69.81%
Average No. of Employees	19	19	22
Other Payroll Costs (FICA, Retirement)	\$83,018	\$78,000	\$73,752
% of Operations Expenditures	12.76%	11.85%	9.30%
Contractual Services	\$30,335	\$47,693	\$113,978
% of Operations Expenditures	4.66%	7.25%	14.37%
All Other Operations Items	\$48,012	\$49,592	\$51,703
% of Operations Expenditures	7.38%	7.53%	6.52%
● Cost of Property and Equipment	\$175,530	\$179,725	\$233,076

AGENCY DIRECTOR(S)
During Audit Period: Vicki Thomas Currently: Vicki Thomas

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

PERIODIC REVIEWS OF AGENCY RULES AND FORMS

The Joint Committee on Administrative Rules (JCAR) has not fully complied with statutory mandates which require review of agency forms and rules. **This finding has been repeated since 1988.**

- The Agency did not evaluate and analyze all State forms which have been developed or revised to identify the burden, if any, of completing such forms by small businesses. Approximately 30,000 to 50,000 of these forms exist.
- JCAR was not evaluating the administrative rules of each State agency at least once every five years.

Nevertheless, JCAR was properly complying with other mandates. For example, during the audit period, JCAR did review all forms submitted by agencies proposing new rulemakings or changes in existing rules. Also, during the audit period, JCAR did review all new rulemakings and changes to existing rules as the proposed rules were submitted by agencies to JCAR for review. A five-year program to review all existing rules of each agency would have included a review of all State forms according to JCAR officials. (Finding 1, page 7)

We recommended JCAR comply with existing statutes by evaluating the burden placed on small businesses by requirements to complete forms. We also recommended JCAR review the rules of all agencies at least once every five years as required by statute or seek legislation to change the existing requirements. JCAR acknowledged that it has not been able to carry out a five-year review of all the rules in all State agencies. In its response, JCAR analyzed the nature of the review process including the review of all State forms that the Department of Central Management Services is required to perform in accordance with the Forms Management Program Act (20 ILCS 435/1) and benefits to the State and defended its current operations as being the best use of its limited resources. In conclusion, JCAR announced plans to consider seeking a change in legislation to modify the periodic review requirement. (For previous Agency responses, see Digest Footnote 1.)

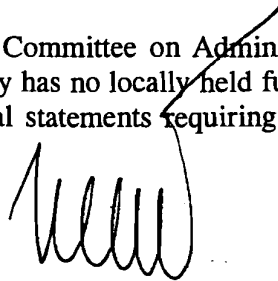
FAILURE TO REPORT TO GENERAL ASSEMBLY

JCAR failed to report its findings, conclusions, and recommendations, including suggested legislation, to the General Assembly by February 1 of each fiscal year under audit as required by the Illinois Administrative Procedure Act. (Finding 2, page 10)

In its response, JCAR stated that lack of adequate staff necessitated giving the annual report a lower priority than the Committee's monthly rules review duties. JCAR further responded its staff is in the process of writing a combined 1991-94 report and anticipates its completion within the next calendar year.

AUDITORS' OPINION

We conducted a compliance audit of the Joint Committee on Administrative Rules as required by the Illinois State Auditing Act. The Agency has no locally held funds or federal or State trust funds. Consequently, there are no financial statements requiring a financial audit leading to an opinion.



WILLIAM G. HOLLAND, Auditor General

WGH:GS:jr
May 19, 1995

SUMMARY OF AUDIT FINDINGS

	<u>This Audit</u>	<u>Prior Audit</u>
Audit Findings	2	3
Recommendations Repeated	1	1
Recommendations Implemented or Not Repeated	2	4

AUDITORS ASSIGNED

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

DIGEST FOOTNOTES

#1: PERIODIC REVIEWS OF AGENCY RULES AND FORMS - PREVIOUS AGENCY RESPONSES

- 1994: "JCAR acknowledges that it has not been able to carry out the statutory requirement that it conduct a 5-year review of all the rules of all State agencies. During 4 years early in JCAR's 15-year history (1980-83), an attempt was made to conduct these reviews, but that effort had to be abandoned for lack of adequate staff resources to conduct both on-going review of new regulations and the 5-year periodic review. To responsibly fulfill both these mandates would require at least twice the staff resources that have been available to JCAR. . . . JCAR will again consider this issue when it devises its legislative recommendations."
- 1992: "JCAR acknowledges that it has not been able to carry out the statutory requirement that it conduct a 5-year review of all the rules of all State agencies. During 4 years early in JCAR's 15-year history (1980-83), an attempt was made to conduct these reviews, but that effort had to be abandoned for lack of adequate staff resources to conduct both on-going review of new regulations and the 5-year periodic review. To responsibly fulfill both these mandates would require at least twice the staff resources that have been available to JCAR. . . . JCAR will again consider this issue when it devises its legislative recommendations for 1994."
- 1990: "We concur with the finding, and since forms evaluation is part of the five-year review program, the Joint Committee will again introduce legislation identical to House Bill 1674 in the 1991 Spring Session of the General Assembly to make five-year review of agency rulemaking permissive rather than mandatory."
- 1988: "[Mr. Bruce Johnson, Director] I concur with the recommendation. I will recommend that the Joint Committee either amend Sections 7.08 and 7.6 of the Illinois Administrative Procedure Act to make the five year review and the evaluation of State forms permissive or that the Joint Committee request additional funding in order to comply."