



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

DEAF AND HARD OF HEARING COMMISSION

State Compliance Examination
 For the Two Years Ended June 30, 2021

Release Date: January 19, 2023

FINDINGS THIS AUDIT: 11				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	<u>Repeated Since</u>	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>
Category 1:	2	1	3	2019		21-4, 21-7, 21-9, 21-10	
Category 2:	2	6	8	2017	21-2	21-5, 21-6	
Category 3:	<u>0</u>	<u>0</u>	<u>0</u>				
TOTAL	4	7	11				
FINDINGS LAST AUDIT: 10							

SYNOPSIS

- **(21-1)** The Commission did not maintain adequate documentation and control over its State property during the examination period.
- **(21-4)** The Commission did not comply with the Fiscal Control and Internal Auditing Act.
- **(21-5)** The Commission did not ensure all monthly reconciliations of the Commission’s cash, receipt, and expenditure records to the records of the Office of Comptroller were timely performed and fully documented.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE CONTROLS OVER PROPERTY CONTROL

The Commission did not maintain adequate documentation and control over its State property during the examination period.

Property balances did not agree between systems

During the current examination period, the Commission failed to maintain documentation to substantiate it performed annual inventories of equipment as required. In addition, the Commission implemented the Enterprise Resource Planning (ERP) system during the examination period for its property control records; however, the Commission continued to use the legacy equipment system balances on its quarterly Form C-15 reported to the Office of Comptroller. The total equipment reported on the Form C-15 as of June 30, 2021 totaled \$50,334 while the ERP property control system totaled \$75,790 on June 30, 2021.

Due to these conditions, we were unable to conclude whether the Commission's population of property control records were sufficiently precise and detailed under Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C 205.36) to test the Commission's equipment.

We also noted the following:

Items not located

- 2 of 24 (8%) equipment items selected for list to floor testing, totaling \$1,706, were not located.
- The Commission submitted 2 of 8 (25%) Quarterly Reports of State Property (Form C-15) 4 and 49 days late. (Finding 1, pages 12-13)

C-15s filed late

We recommended the Commission maintain complete and accurate property control records and ensure that it files its Quarterly Report of State Property timely.

Commission officials accepted recommendation

The Commission accepted our recommendation and indicated they would implement controls for adequate property records and timely reporting.

FAILURE TO SUBMIT INTERNAL CONTROL CERTIFICATIONS

FCIAA certifications not filed

The Commission did not comply with the Fiscal Control and Internal Auditing Act (Act). During testing, we noted the Commission did not prepare or transmit its Fiscal Year 2020

and Fiscal Year 2021 internal control certifications to the Auditor General as required by the Act. (Finding 4, page 18)

We recommended the Commission ensure they complete and submit their internal control certifications to the Auditor General by May 1 of each year.

Commission officials accepted recommendation

The Commission accepted our recommendation and indicated they will implement procedures to ensure timely processing of certifications.

INADEQUATE CONTROLS OVER RECONCILIATIONS

The Commission did not ensure all monthly reconciliations of the Commission's cash, receipt, and expenditure records to the records of the Office of Comptroller (Comptroller) were timely performed and fully documented. During testing, we noted the following:

Reconciliations not documented

- The Commission did not document the monthly reconciliation of its internal records to the Comptroller's *Monthly Appropriation Status Report* (SB01) and the Comptroller's *Monthly Cash Report* (SB05) during the examination period.

Reconciliations not dated

- The Commission's monthly reconciliations of its receipt records to the Comptroller's *Monthly Revenue Status Report* (SB04) were not dated. Additionally, the Commission failed to document management reviews of the reconciliations so we were unable to determine if the reconciliations were performed timely or properly approved. (Finding 5, pages 19-20) **This finding has been reported since 2017.**

No evidence of management review

We recommended the Commission comply with Comptroller procedures and perform monthly reconciliations in a timely manner. In addition, we recommended the Commission ensures they document the date the reconciliation was completed and approved.

Commission officials accepted recommendation

The Commission accepted our recommendation and indicated they will implement procedures for formal reconciliations to be documented and completed in a timely manner.

OTHER FINDINGS

The remaining findings pertain to inadequate controls over receipts, cybersecurity, and personal services; voucher processing weaknesses; statutory noncompliance; a lack of adequate controls over the review of internal controls for service providers; failure to submit a required report; and

disaster recovery planning. We will review the Commission's progress towards the implementation of our recommendations in our next State compliance examination.

ACCOUNTANT'S OPINION

The accountants conducted a State compliance examination of the Commission for the two years ended June 30, 2021, as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2021-001 through 2021-003. Except for the noncompliance described in these findings, the accountants stated the Commission complied, in all material respects, with the requirements described in the report.

This State compliance examination was conducted by the Office of the Auditor General's staff.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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