



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, 2025

Release Date: April 14, 2026

FINDINGS THIS AUDIT: 8				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:	0	4	4	2023		7	
Category 2:	0	4	4	2021	1, 4	5, 8	
Category 3:	0	0	0	2019		6	
TOTAL	0	8	8	2017	2, 3		
FINDINGS LAST AUDIT: 12							

SYNOPSIS

- **(25-1)** The Commission did not maintain adequate documentation and control over its state property during the examination period.
- **(25-4)** The Commission had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

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 STATE PROPERTY

The Deaf and Hard of Hearing Commission (Commission) did not maintain adequate documentation and control over its state property during the examination period.

Property listings could not be reconciled to submitted reports

During testing, we noted the property listing provided by the Commission in response to audit requests could not be reconciled with the ending balances reported in the Form C-15 Reports for the fourth quarters ended June 30, 2024 and June 30, 2025 and to the balances reported in the annual inventory certifications submitted to the Department of Central Management Services (CMS). Further, the property listing did not indicate whether the equipment was classified as high-theft, therefore, we could not determine whether the item was reportable under the C-15 Report.

Equipment purchased were not added to property listing

In addition, 35 equipment items totaling \$21,912 that were purchased as of Fiscal Year 2025 were not recorded in the property listing.

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 reported as surplus not removed from property listing

- Two of 16 (13%) equipment items, totaling \$4,851, were reported in the Agency Discrepancy Report for Fiscal Year 2022 as surplus but had not been removed from the property listing as of Fiscal Year 2025.

Items could not be found in Annual Inventory Certification

- Seven of 16 (44%) equipment items were not found in the Annual Inventory Certification submitted to CMS for Fiscal Year 2025. These items could not be traced to Commission records to identify their costs. In addition, one of these items did not have a tag number.

C-15 filed late

- One of 8 (13%) Form C-15 Reports was not submitted timely. The Form C-15 Report was submitted three days late.

Obsolete equipment not properly transferred or disposed

- 33 equipment items consisting of projectors, DVD players, and various other equipment, totaling \$20,116, were no longer used or obsolete. These assets were not transferred to CMS or appropriately disposed.

We also noted the Commission submitted its Annual Certification of Inventory for Fiscal Year 2023 to CMS 7 days late. (Finding 1, pages 9-11). **This finding has been reported since 2021.**

We recommended the Commission strengthen its controls over property and equipment to ensure all equipment transactions are recorded timely and accurately, tag numbers are properly attached to equipment items, obsolete or no longer used equipment items are transferred to CMS or properly disposed, and Form C-15 Reports and Certification are timely filed.

Commission agreed

The Commission agreed with the recommendation and management stated they will implement procedures to strengthen controls over property and equipment, ensure equipment transactions are recorded timely and accurately, tag numbers are properly affixed, obsolete equipment is transferred to CMS or properly disposed of, and Form C-15 Reports and Certifications are filed timely.

WEAKNESSES IN CYBERSECURITY PROGRAMS AND PRACTICES

The Commission had not implemented adequate internal controls related to cybersecurity programs, practices, and control of confidential information.

Commission did not establish a cybersecurity program

During our examination, we noted the Commission had not:

- Developed a formal, comprehensive, adequate, and communicated security program to manage and monitor the regulatory, legal, environmental, and operational requirements, including:
 - Backup Verification
 - Data Maintenance and Destruction Policy
- Developed a risk management methodology, conducted a comprehensive risk assessment, and implemented risk reducing internal controls.
- Established a data classification methodology for classifying its data to ensure adequate protection of the data.
- Established a cybersecurity plan.

Commission did not have a process to review identified security incidents

In addition, we noted the Commission had not established a process to review and ensure security incidents identified by the Department of Innovation and Technology (DoIT) involving the applications utilized by the Commission were fully remediated and any related control deficiencies were assessed. (Finding 4, pages 17-19). **This finding has been reported since 2021.**

We recommended the Commission implement internal controls related to cybersecurity programs, practices, and control of confidential information. Specifically, we recommended the Commission:

- Develop a formal, comprehensive, adequate, and communicated security program to manage and monitor the regulatory, legal, environmental, and operational requirements.
- Develop a risk management methodology, conduct a comprehensive risk assessment, and implement risk reducing internal controls.
- Develop a data classification methodology.
- Establish a cybersecurity plan.
- Establish a process to review and ensure security incidents identified by DoIT involving the Commission's systems or data are fully remediated and related control deficiencies are assessed.

Commission agreed

The Commission agreed with the recommendation and management stated they will implement procedures to strengthen internal controls related to cybersecurity programs, practices, and the protection of confidential information, including developing and maintaining appropriate policies, risk management processes, data classification standards, a cybersecurity plan, and procedures to review and remediate security incidents identified by DoIT.

OTHER FINDINGS

The remaining findings pertain to receipt processing internal controls, voucher processing internal controls, information system contingency planning, personal services, census data, and internal controls for service providers.

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, 2025 as required by the Illinois State Auditing Act. The accountants qualified their report on State compliance for Findings 2025-001 through 2025-004. 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 Roth & Company, LLP.

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COURTNEY DZIERWA
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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